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"TO FOLKS WHO LIVE BY WIELDING THE PEN."



AND

"1000 Helpful Hints."

A CONCISE, PRACTICAL AND ORIGINAL MANUAL ON THE ART OF
ACCOUNTANCY, DESIGNED FOR ALL WHO DESIRE TO
BECOME EXPERT BOOK-KEEPERS.

— BY —

MARCUS A. EMMONS, Expert Accountant.

(NOW DECEASED.)

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PREFACE.

From years of experience as a public accountant, the author has necessarily met with varied processes and intricacies, and as a result has compiled a work designed to illustrate and provide remedies to meet the immediate wants of book-keepers in any class or condition of business.

A number of fully detailed processes, from the simplest forms to extended modern methods, of the treatment of books, fully illustrated, with contingencies amply provided for practical results, are submitted.

Various detailed processes of treating journals, cash books, and ledgers, arranged for convenience in posting, proofs of accuracy, etc.

Illustrations of ledgers arranged for different kinds of business.

Practical illustrations of the cause and effect of errors, with simple processes of location, corrections and proofs.

Practical processes and positive proofs of absolute accuracy.

Illustrations of calculating interest for the best practical results.

Various authentic processes of averaging accounts for general use.

Suggestions and illustrations for opening, keeping, proving and closing books for commercial, manufacturing, banking, stock companies, etc.

Special attention is directed to the treatment of the many unanticipated intricate transactions with which book-keepers constantly come in contact, and for which remedies are suggested.

Every detail is arranged for the use of the book-keeper at the time it is most needed, and the aim of the author is to enable him to keep his books plainly and comprehensively, so that the necessity of professional verification may be dispensed with.

Respectfully,

MARCUS A. EMMONS.

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GENERAL REMARKS.

Among the many processes of double-entry books arranged for convenience, the author submits several plans, any one of which is applicable to almost every class of mercantile or manufacturing business, and from which a book-keeper will find some plan to adopt, making such alterations as the nature of the business may require.

It will be seen that in all cases, when at all practicable, the cash book or cash columns *are not reversed*, for the reason that it is more readily learned, easily understood, and simplifies posting; as the postings in all cases are from a left hand page or column (of all books posted from) to a left hand or debit column of the account on the ledger, and from a right to a right, *with the single exception of reversing the totals of the cash book or cash columns* monthly in posting to the cash account on the ledger, which debits cash for receipts and credits it for payments, as on pages 46, 52, 58, 65 and 71.

Entries and postings so abbreviated as to be unexplainable may create uneasiness or suspicion. If the book-keeper is careful as to such details he has nothing to fear.

It is a great convenience, and should be a requirement (except in extensive financial institutions), that explanations in the books of original entry should be full and complete, and that in posting, the condensed explanation on the ledger should be such as to indicate in a general way a condensed explanation of the character of each item posted, as on pages 31 to 37, carefully entering on the ledger the number and page of the order or sales book as shown in the several customers' accounts in the ledgers; thus instant reference can be made from the ledger to the original entry, and intelligible statements can be made from the face of the ledger with ease. The representative accounts should also be sufficiently explanatory so as to indicate the contents. Especial attention is directed to the Expense account on page 32. Expenses, when posted as sundries, are liable to the suspicion of covering disbursements that have never occurred, or to force a trial balance, when it may never be observed. It is to the conscientious book-keeper's interest to make his disbursements especially plain. When cash is over or short, the discrepancy should be entered daily as it occurs, charged or credited to Merchandise (or Expense) account, and be posted the same as any other transaction (as every entry of whatever nature must be posted to some account in order to make a correct trial balance). If the amounts short or over are larger than usual, a "Suspense Account" should be opened on the ledger, to which such items must be posted. Such amounts will be found later on to be an omission to debit or credit some account on the day of the occurrence, so that when found it can be transferred from the Suspense to the proper account.

Attention is called to the Bills Receivable and Bills Payable accounts on page 33. Each posting has its date, name and terms written out as though each was a separate account, and when paid or sold, the result is posted on the same line immediately opposite without regard to the dates being consecutive. In this way the condition and disposition of each note is always shown. When it becomes necessary to rule up to bring down balances, or to transfer either of the Bill accounts to another page, it is preferable to transfer each note unpaid to the new page, precisely as originally entered; this will show that the new account contains only unpaid notes. Where a note has been taken up and a new one given instead, either as a renewal or for a different amount (as in Theo. Peck's account on page 34), Bills Receivable must be credited with the old note and Peck's account charged with the same, which closes the transaction so far as the Bills Receivable account is concerned, and then by crediting his account with the new note and debiting Bills Receivable the record is perfect, complete, and easily traced.

Several entries in the diary of transactions are made for the purpose of illustrating to young book-keepers the process of corrections, alterations, etc., etc., as cash short or over in merchandise account, discounts, errors in extension, goods returned, compromising with a customer, commissions, etc., etc., in which the inexperienced book-keeper may find a ready guide out of (to him) a difficult problem.

The many contingencies he will meet with cannot be anticipated in a book of this kind, but the nature of each transaction must be thoroughly understood before placing it upon the books. In any case where corrections are to be made, the entries should be made on the journal complete, and posted accordingly, and not simply changed from one account to another on the ledger, unless an amount has been posted to the wrong account, or an error is made in posting. In such cases the figures can be corrected by erasures, or in red ink, which may be preferable, as erasures are not always advisable.

When the cash book and journal are made up ready for posting, enter (either in red or black ink as preferred) the pages of each account from the index, in the column arranged for that purpose. The index can then be laid aside and postings made with ease, as each page to post to is found opposite the name of the account.

As each posting is made, place a neat check mark $\checkmark$ on the middle line of the cash book or journal precisely as shown on pages 27 to 30, which will present a neat and systematic appearance. In this way the check mark instead of the page is the indication that the item has been posted, and as it is placed near the amounts posted it is preferable to that of tracing across the page to the figures to verify the postings.

In the opening of a new account, ascertain the page on which it is to be placed, and then enter it in the index before it is posted. A little care in this will save future annoyance.

To commence the ledger, reserve a sufficient number of the first pages (say 50) for the representative accounts, and from that on enter the customers' accounts consecutively as they occur.

Enter the purchase accounts in the back of the ledger, and work forward as they occur. This will separate them so that from a trial balance an approximate condition of affairs may be had with ease.

Trial balances should be taken off at stated periods, but generally every month, and should not be left until *proven* to be correct. A prepared trial balance book should be kept, and the footings of the ledger columns transferred to it instead of differences, as shown on page 18. With these footings, a *positive proof of accuracy can be had, showing on which side of the ledger an error (if any) occurs, and the amount each side is wrong.* In this way a partial location of errors is had, and is more easily traced.

Trial balances are required for the purpose of proving the books, and to ascertain the condition of the business. *Without accurate trial balances business cannot be conducted with safety.*

Book-keepers frequently force a trial balance where the difference is apparently small, by making a ledger entry in the expense or merchandise account to correspond, *but this should not be permitted in any case.*

A trial balance may show a discrepancy of 10 cents, which, although apparently insignificant, may be the difference between large errors on both sides of the ledger. A debit to an account for merchandise of \$86 may have been posted in error as 86 cents, thus making an error of \$85.14. An amount of cash sales of \$85.04 may have been omitted in posting to the credit of merchandise account. Thus the difference in the trial balance would only be 10 cents, which, if not corrected, would be an absolute loss of \$85.14. This kind of an error might occur in hundreds or thousands of dollars, and result in serious losses.

Trial balances cannot be substantiated without proofs, even though both sides appear equal. The proofs as given on pages 46, 52, 58 and 65, *not only to determine WHAT EACH SIDE MUST FOOT, BUT IS AN ABSOLUTE PROOF OF ACCURACY BY SHOWING THE AMOUNT OF THE ERROR, AND ON WHICH SIDE OF THE LEDGER IT OCCURS, WHETHER TOO MUCH OR TOO LITTLE. THE DEBIT AND CREDIT SIDE OF THE LEDGER FOR THE FIRST MONTH WILL BE EQUAL TO THE TOTALS OF THE BOOKS POSTED FROM, TO WHICH THE SUBSEQUENT MONTH'S TOTALS ARE TO BE ADDED, WHICH WILL BE THE EXACT AMOUNT THE SECOND TRIAL BALANCE MUST FOOT.*

Checking is generally supposed to be the book-keeper's remedy, and is usually done by one person reading the items from the auxillaries, and the other checking the ledger. It is not unusual that the same work is checked over a number of times without success, for the reason that a transposition of say 365.51 as 356.51 having been made, the assistant may read it correctly while the checker sees at a glance the same figures, but fails to see that two of them have been transposed. This kind of an error is easily found, as shown by rule and illustrations on pages 111 to 114.

Calling and checking becomes monotonous, and the caller may and often does economize so much from weariness as to mislead the checker, in this way: "Samuel Jones one twenty-six." The one checking, seeing the figures 126, checks it without stopping to see whether this is \$1.26 or \$126.00. "John Brown & Sons two twenty-five sixty-eight," "Thompson Bros. fifteen fifty-six," etc., etc., which may be posted as \$15.56 or \$1,556.00; if so, it may be called

back any number of times the same way and yet not be found. Care should be taken in calling, thus: "Samuel Jones, debit, one dollar and twenty-six cents," "John Brown & Sons, credit, one hundred and twenty-five dollars and sixty-eight cents," "debit Thompson Bros. fifteen hundred and fifty-six dollars," always using the words debit, credit, dollars, and cents. This would show whether he had posted dollars for cents, or the reverse. Prefixing the word debit or credit may lead to an amount posted on the wrong side, but the better and safer method would be to reverse the process by *calling back from the ledger to the books posted from, thus*: The book-keeper will call each debit posting from the first account in the ledger to the last. The assistant will find the items, as they are called, and check them on the books posted from. After which take the credit side the same way. In this way an amount posted twice or to the wrong side cannot remain hidden. The assistant can then run over his check marks rapidly, and if an omission in posting has occurred, the absence of the check mark will show it. It will be found much more desirable to trace the check marks on the auxiliaries than on the ledger (which need not be checked at all). This is the only really safe method for accuracy in checking. In checking from the books to the ledger, the amount of the item may be found to be correct, but does not show that the same item may have been posted to some other account on the same page, and by neglect to correct immediately may have been forgotten; thus the books could not balance. No error of this kind could be overlooked by this process of checking.

The author, from experience, would suggest that *the book-keeper does his own checking without assistance*, because he can do it as rapidly or more so than with a slow assistant, and with more faith in the results, for the reason that *he takes in the formation and general appearance of the figures at a glance, which impression is carried to the figures on the cash book or journal, and any difference in the formation of the figures will instantly arrest his attention*, which would be overlooked when two persons are engaged.

The work is easily accomplished by placing the ledger to the left and the books posted from to the right.

With a blotter in the left hand he will compare every debit of every account consecutively through the ledger, checking the items (with the right hand) on the books posted from as they are found.

If an error still exists pursue the same course with the credit side. In this way an error of posting, omission, double posting, or posting on the wrong side, cannot escape detection.

If the following rules are strictly adhered to, no mistake would ever be made in book-keeping.

FIRST—Debit what we receive, for the reason that it costs us something.

SECOND—Credit what we give, because what we give produces us something of value.

THIRD—For every amount entered to the debit side of an account, or accounts, in the ledger, enter a like amount to the credit side of some other account, or accounts, for the same amount.

RESOURCES.

A resource is anything of value belonging to us, such as:—Cash, Mdse., Store Fixtures, Real Estate, Notes made by other parties payable to us (Bills Receivable), etc., or any other personal account owing to us.

LIABILITIES.

A liability is any unpaid note made by us payable to other parties (Bills Payable), or any personal account we owe.



COMPLEX TRANSACTIONS.

It is difficult to anticipate the many perplexing entries which present themselves in every class of business.

The safest plan to follow is never make an entry for posting until its effect upon the several accounts and the trial balance is thoroughly understood. The better plan, in cases of doubt, would be to work it out on paper and test the effects before entering. It will not only save trouble, but creates a confidence in one's ability, which is no small feature in book-keeping.

Among the many things that worry book-keepers of limited experience may be found the following:

If an invoice of goods purchased contains an overcharge or error in extension, correct it promptly and notify the creditor, and enter it up as corrected. If it has been entered up before the errors were discovered, charge or credit them with the amount through the journal and charge or credit Merchandise with the same.

If errors are made in sales pursue the same course, *but in all cases make corrections as soon as discovered.*

If an amount by mistake has been posted to the wrong account on the ledger, the figures may be erased and entered in the proper account without passing it through the Journal, but in all other transactions make the corrections on the Journal *and under no circumstances transfer from one account to another except by journal entries.* This may possibly seem fastidious, but should another person take the books to verify, his attention is instantly arrested to see if there is other purpose or design in the transaction. It is also much easier to verify work when every item posted has its origin in some book posted from than otherwise.

When an account is overdue and finally settled with interest, debit the account with the interest and credit Profit and Loss (or Interest account) with the same. Credit the account with the settlement and close it. If the settlement consists of cash and notes or other material, enter them up separately to his credit and charge the proper accounts with their proportion of the same—*but in no case credit and post as a whole. The face of the account should always show what the settlement consists of.*

Interest on running accounts should never be charged up until the complete settlement is made, unless in cases of real estate where interest and rents are due at stipulated dates, and rates, which should be entered for posting to their proper accounts as soon as due.

When notes receivable or payable are taken and given, with or without interest, the *Bills accounts should contain only the face of the note.* When the note is paid with interest, *charge or credit the Bills account with the face of the note and Interest account with its proportion.* Thus the Bills accounts will prove themselves and every item is easily traced.

In the renewal of a note payable, charge the Bills Payable account with note taken up through the Cash Book if it was discounted, but through Journal if not, and credit Bills Payable with the new note, debiting Interest account with the amount paid for discount.

If part of a note is paid and the balance renewed, *charge Bills Payable with the full amount of the old note and credit it by the new note*, charging Interest with the discount, by passing such transactions through the Cash Book. Cash is affected only by the amount of the discount and payments, but as a check is to be given for the amount of the old note, and as the bank credits you with the avails each time, the above process will make your books agree with the bank's books.

As goods are sold on time subject to discounts if payment is made before the bill becomes due, the entries should be made and posted for the full amount, without reference to discounts, from the fact that contingences may place the books in other hands, and in such cases the accounts could not be increased. Discounts may be taken from Glass, Nails, Gas Pipe, etc., etc., before posting (except the conditional cash discount), as it would give a false idea of the assets otherwise.

In small concerns all of the wages paid may be posted to Salaries account, or direct to Expense account, but in large concerns and especially in manufacturing, there should be different accounts opened for salaries. It is necessary to success in business to keep the cost separately for the different departments, and also to keep a record of all of the expenses on each contract intact. It is customary in large concerns to divide the salaries into Officers' Salaries, Traveling Salesmen's Salaries, Agents' Salaries, Foundry Salaries, Machine Shop Salaries, Finishing Salaries, etc., which is done to prevent one department from costing more in proportion than it should.

When an account has been closed into Profit and Loss and all or a part has been subsequently paid, credit Profit and Loss with the full amount received and charge such expense as may occur to Expense account.

If a settlement of some doubtful account has been effected, one which has previously been transferred to Suspense Account, whether remaining under its original name, *credit the latter with the full amount of the face of the claim* and charge the difference between the amount received and the face of the claim to Profit and Loss, this closes the account completely.

If an overdue note is settled by compromise, credit Bills Receivable *with the amount of the face of the note* and charge Profit and Loss with the difference between the amount received and the face of the note. This closes the account so far as that particular note is concerned and the records of the settlement are easily traced.

Merchandise Account (or the account representing the commodity dealt in) *should be so kept as to show nothing but actual purchases and sales. No other entry should be posted to it except in correcting errors.*

The success of the business depends upon an accurate knowledge of the purchases and sales in order to reach the exact rate of percentage of both gross and net profits as a basis for the next years' business.

When there are goods returned, both to parties from whom we purchase, or from sales made, or when allowances are made on sales, such entries should be made and posted to a special account opened for that purpose, which may be called Merchandise Returned account, which at the close of the fiscal year may be closed into Merchandise account or to Profit and Loss account direct, in either case the final result would be the same.

To reach the exact amount of purchases and sales it would be necessary to deduct the amount of the debit side of the Merchandise Returned account less the previous year's rate of percentage of gross profits, from the amount of the credit side of the regular Merchandise account, *which result would be the exact amount of sales that have been made.* Then deduct the amount of the credit side of the Merchandise Returned account, and the amount of the present Inventory of the debit side of the regular Merchandise account; *the result will be the exact amount of the cost of the goods which have been sold.* The difference between these two results will be the gross profits. Divide the profits thus obtained by the amount of the sales, *and the result will be the rate of percentage of the gross profits.*

From the amount of the gross profits deduct the total of the years' expenses of every nature *and we have the net profits.* Divide the total amount of the net profits by the total amount of the sales, *and we have the net rate per cent. of the net profits.*

To arrive at an intelligent result of the business at any time during the year when an inventory cannot be had, *deduct the gross amount of the sales less the preceeding rate of percentage of gross profits, from the amount of the debit side of the Merchandise account,* this will give an inventory so closely approximated as to be reliable, which, with the trial balance, will give the result sufficiently accurate as to indicate closely the condition of affairs.

To get at the cost of the goods sold on a basis of last year's percentage of gross profits (say 40 %) add 40 to 100 and divide the amount of the sales by that result (140), which will give the cost of the goods that have been sold. If the business is running at a loss deduct the percentage from 100 and use the difference as the sum to divide by.

Material is often manufactured in excess of the demand and storage secured in different cities, where full supplies are kept on sale. In such cases the regular Merchandise account should not be credited with such shipments, only as sales are made from such storage depots and properly reported, then it is entered up as sales and charged to the proper accounts; in this way the books would only show actual assets and liabilities. The details of such shipments should be systematically kept in a book prepared for that purpose, and as rapidly as sales of such goods are made and placed upon the sales ledger, the "On Sale" book should be made to correspond, so that when an inventory is taken every article is easily accounted for.

When mortgages or other securities are held as collaterals to secure book accounts or notes, a complete record should be kept of the conditions and details, but should not be placed upon the ledger until accepted as final settlements either amicably or by foreclosure. Then the accounts or notes secured

by such mortgages should be closed and "Mortgage", "Real Estate", etc., should be charged with the amount each costs, as the responsibility is now changed from individuals to property.

Real Estate accounts should stand on the ledger at actual cost, but when sundry disbursements for improvements only are made during the year, the account should be debited with the same, so that the balance of the account shows only the cost. All payments for taxes, insurance, repairs, etc., should be charged to expense account.

In case of sale of property at an advance over the cost or at a loss, credit the account with the proceeds of the sale and then transfer the difference to Profit and Loss.

Should it be decided to erect a building on any of our property, an account should be opened for that especial purpose, and to which should be charged all cost of construction to completion. The building then becomes real estate, and this account should then be closed into its "Real Estate" account as additional cost.

In matters of insurance an account should be opened for that purpose and always show a debit balance of the amount of one year's cost of insurance, which is to be considered as an asset from the fact that it has a negotiable value. While its cash value decreases monthly until a new policy takes its place, it should still be considered as an asset. If the business is sold to other parties the insurance is sold with it at its value on day of transfer, the difference is then transferred to Profit and Loss, and Insurance account closed. If the business is closed out and the policy expires at the same time, then it becomes a profit or loss account and is also to be closed.

When we accept a proposition to make a joint investment with outside parties, either temporarily or otherwise, an account should be opened for that purpose, to which all expenditures and receipts should be debited and credited, and not to be interfered with until it ceases to exist, at which time it should be closed into Profit and Loss.

Should any article of the Office Furniture account or of the Horses and Wagons account be sold as superfluous, credit the proper account with the proceeds.

Business concerns frequently have an arrangement among themselves to endorse for each other as an accommodation. In such cases a careful record of all such transactions should be kept in order to preserve an equilibrium and to guard against danger, but is not to be placed upon the ledger as assets or liabilities. This should have constant attention and the contingencies closely watched.

It frequently occurs in merchandising when produce, etc., is received from customers to be sold and the proceeds placed to their credit. As it arrives we pay out for freight and cartage, which should be charged direct to their accounts. A record book should be kept for entering the details of the receipts of such goods, and as soon as it is sold the proceeds should be credited up to his account on the ledger and debit it with the commission for selling, but in no case enter anything upon the books but actual receipts and expenditures until the goods are disposed of.

We may have an account against a customer who has counter accounts against each partner and also the book-keeper. Statements sent him from our books show a balance due him, which he disputes as not being large enough. We have on receipt of the material sent to us at the market prices, debited each account with his proper proportion of the same. A final settlement is effected by concessions from both sides, by allowing his claim for a discount on the purchases of \$3.68, he withdraws his claim for better prices and finally concedes a reduction from the prices on the material furnished us of \$7.31, which closes his account. To get the proper entries upon the books we credit him with the discount of \$3.68 and charge him with \$7.31, which must be credited back to the accounts of the two partners and the book-keeper. S. B.'s original debit was \$31.65, J. S.'s \$29.87 and B.-Keeper \$26.32. So we credit S. B. with 36 %, J. S. with 34 %, and B.-Keeper 30 % of of the \$7.31. The first thought of the book-keeper would perhaps be to credit the \$7.31 to Profit and Loss, but in that case he would be the loser, and although the partners would gain there would still be an inequality between their accounts. In such transactions when the book-keeper is not entirely clear as to the proper entries he should first detail them on a piece of paper and see the cause and effect before entering them upon the books.

As the books for the fiscal year are to be closed, care should be taken to enter up every item of indebtedness, no matter how small, in order to get the amounts in its respective account before making the settlement. Book-keepers often object to this because it necessitates the opening of many accounts, but it should always be insisted upon in every case, as an exact result cannot be had otherwise. The vital part of the business is an absolutely accurate showing of the gross and net profits. A single page of the ledger would in most cases contain such items by using each line for the account, and as such items are paid make the entry upon the same line immediately opposite without regard to the consecutiveness of the dates. The necessity of a correct showing of results is of far more importance than the saving of the work or economizing in paper.

Previous to closing the books a percentage for wear and tear, as may be agreed upon, should be taken from the cost of "Office Furniture," "Horses and Wagons" and other material, such as "Machinery," "Engine and Boiler," "Tools," "Patterns," etc., and charge to Profit and Loss. The rates of percentage of wear and tear vary according to circumstances from five to twenty per cent., but in any case be sufficient to cover the wear that may occur. If five per cent. is annually charged to Profit and Loss the cost will be absorbed in twenty years. It is probable that machinery in use for that length of time, if not entirely worn out would be superceded by improved machinery, so that in any event it is practically valueless. There are instances when all such material is kept upon the books at its cost from year to year without change and annually considered as an available asset, which gives a false idea of profits and eventually creates distrust, dissatisfaction and perhaps expensive litigation. It is better to lower valuations for safety than to increase them for a purpose.

The book-keeper should use great care in submitting the annual settlement, as the success of the business depends upon its accuracy.

GENERAL INSTRUCTIONS FOR SET "A."

The best way to learn both the theory and practice of book-keeping is to get in as assistant to a practical book-keeper, and one can then learn both in much less time than by the process of learning all the theory and afterwards the practical part of the work.

In this set of double-entry books the student is taken as an assistant and will take the transactions as they occur, arrange them properly and post accordingly, so that from the practice the theory will follow of itself.

The arrangement is such that the student of average capacity can learn the practical part of double-entry book-keeping without a teacher.

The principal thing that the beginner should firmly fix in his mind and memory is, that every debit or credit, without exception, is to have a corresponding entry in some other account, and that the thing received is debtor to the thing delivered.

If goods are bought by us, merchandise is to be charged with what it costs, and the parties of whom we purchase must have credit for the same.

If we sell goods, we must charge the amount to the one who buys, and credit the same to merchandise account, so that in either buying or selling, the amounts will be found on the debit side of one account and on the credit side of another—thus both sides of the ledger will foot alike.

The diary of transactions is arranged for the business of three months. Each item for the first two months has its own explanation of how it is to be arranged on the cash book or journal for posting to the proper accounts on the ledger the same as a book-keeper would instruct his assistant.

The books necessary for set "A" will be : a cash book, journal and ledger.

The items in the diary of transactions are to be arranged consecutively in the cash book and journal, and posted from them to the ledger daily.

Our assistant must remember that in all of these books—cash book, journal and ledger—the left hand pages or money columns are for the charges (or debits)—and that the right hand pages of money columns are for the credits, so that the posting is always from a left hand column to a left, and from right to right.

THE CASH BOOK.

The cash book is ruled in folios instead of pages with two money columns on each side of every folio.

All cash received is to be entered in the first money column on the right hand side of the folio.

All cash paid out is to be entered in the first money column on the left hand side of the folio.

These two first money columns on each side of the folio are to be used exclusively for the cash transactions and for balancing the cash.

The cash should be balanced in this set every week and the balance of cash on hand be brought down, in red ink, in the first money column on the right hand side of the folio.

The other two money columns are for two purposes—at the time of balancing the cash—foot up the amount of cash received for that week (independent of other footings) and place the amount in the second money column on the right on the same horizontal line as the last amount footed—treat the left hand side the same way, and when the folio is full, foot up these two columns and carry the footings forward to the next folio and so on to the end of the month. The difference between these totals for the month, together with the amount of cash on hand at the first of the month, will be the same as the cash on hand as shown by the balance, and is a proof of the accuracy of the cash account.

Post the totals thus obtained to "Cash Receipts and Payments" account on the ledger the same as the other transactions, but remembering that the cash receipts as shown on the right hand side of the cash book is to be posted at the left hand side of the account on the ledger, and the cash payments are to be posted in the right hand money column of the account on the ledger. This debits cash on the ledger for the receipts and credits it for the payments. This is the only case of reversals in posting and as it occurs only once in each month it makes the study and practice of posting simple and easy. The balance of cash on hand as shown by the account on the ledger will correspond with the cash book.

Nothing is to be carried forward from one month to another in these two extra columns.

The good results of this process will be seen as the work progresses.

The following illustration will show how the book should be kept:

CASH PAYMENTS.

CASH RECEIPTS.

Mo.	DY	NAMES OF ACCOUNTS	L. P.	PAID				Mo.	DY	NAMES OF ACCOUNTS	L. P.	RECEIVED			
		Forward,		000	00	000	00			Forward		000	00	000	00
Jan.	1	First Nt'l Bk, To Dep.	2	1,000	00			Jan.	1	James Brown, By Cash	1	1,000	00		
	30	Freight " " Cash	11	63	21				30	First Nt'l Bk, " Chk	5	75	00		
Feb.	2	First Nt'l Bk, " Dep.	2	500	00			Feb.	2	James Brown, " Cash	1	500	00		
	3	Expense " " Cash	8	3	49				5	Expense, " Ret'd	8	40	00		
	5	Expense, To Drayage	8	2	00				6	Jas. Brown, " Cash	1	1,000	00		
	8	" " " "	8	25					8	Mdse, By Cash sales	3	21	86		
	8	" " Sundries	8	3	00				8	" " " "	3	32	29		
	6	First Nt'l Bk, To Dep.	2	1,000	00				9	Jas. Brown, " " "	1	500	00		
		Harold Brown, " Cash	15	8	00				9	Mdse, By Cash sales	3	96	84		
		Walter Brown, " " "	15	2	00				10	" " " "	3	63	42		
	8	Expense, " " "	8	2	00				11	" " " "	3	46	91		
		First Nt'l Bk, " Dep.	2	70	00				12	D. Dodsworth " "	16	10	00		
		" " " "	2	500	00				12	Mdse, By Cash sales	3	63	42		
	9	Merchandise, " Thr'd	3	1	26				13	" " " "	3	110	16	3,559	90
	10	Expense, " Snd's	8	7	00										
		First Nt'l Bk, " Dep.	2	150	00										
	13	Harold Brown, " Cash	15	10	00										
		Walter Brown, " " "	15	5	00										
		Salaries, " " "	10	60	00	3,387	21								
		Balance down		172	69										
				3,559	90							3,559	90		
Feb.	15	First Nt'l Bk, To Dep.	2	150	00			Feb.	15	Cash on hand		172	69		
	16	Expense, " Snd's	8	1	16				16	Mdse, By Cash sales	3	37	25		
		First Nt'l Bk, " Dep.	2	100	00					M. P. Adams, " "	17	8	00		
	17	" " " " "	2	800	00	1,051	16			Mdse, By Cash sales	3	46	40	263	65
		Forward		1,051	16	4,438	37			Forward		264	34	3,823	55

THE JOURNAL.

The Journal is ruled in pages, with two money columns on each page.

The left hand money column is for charges, (or debits) and the right for the credits.

The amounts should be footed up and carried forward from page to page to the end of the month.

Both sides must always foot alike if the work is correct.

In arranging the items for convenience in posting it may be well to enter the debits first (although it makes no difference whether the debit or credit is entered first) with the name of the account to be debited close to the date column and name of the account to be credited about one inch to the right as shown below—thus a glance will show which items are debits and which credits.

DATE	NAMES OF ACCOUNTS	WHAT FOR	L. P.	Dr.	Cr.
Jany. 6	Furniture and Fixtures—bill lumber, First National Bank, Check No. 1.		10 2	126 35	126 35
7	Expense—Harold Brown cash for trip to New York, First National Bank, Check No. 2.		8 2	100 00	100 00
27	Furniture and Fixtures—carpenter's bill, First National Bank, Check No. 3.		10 2	131 28	131 28
30	Salaries—paid help, Furniture and Fixtures—safe, signs, etc., Expense—blank books, etc., First National Bank, Check No. 4.		10 10 8 2	22 00 239 63 34 93	296 56
Feby. 1	Furniture and Fixtures—paid for gas fixtures, First National Bank, Check No. 5.		10 2	69 24	69 24
	Expense—Coal, First National Bank, Check No. 6.		8 2	16 66	16 66
2	Expense—paid Harold's draft, First National Bank, Check No. 7.		8 2	50 00	50 00
3	Freight—paid freight bills, First National Bank, Check No. 8.		11 2	228 63	228 63
	Forward			1,018 72	1,018 72

THE LEDGER.

The ledger is arranged with sufficient space for all of the items of the diary of transactions.

It is ruled for the debits on the left hand side of the central or division line and the credits on the right.

The total footings of the right hand or credit side of the ledger is what we owe to others, and that of the left hand side is what we have to pay it with.

The representative accounts to be opened on this ledger will be as follows :

	page	1	½ of the page.
James Brown	"	1	½ "
Cash Receipts and Payments	"	2	all "
First National Bank	"	3, 4, 5 and 6	all "
Merchandise	"	7	all "
Expense	"	8	½ "
Furniture and Fixtures	"	8	½ "
Salaries	"	9	½ "
Freight	"	9	½ "
Interest and Discount	"	9	½ "
Profit and Loss	"	10	½ "
Bills Payable	"	10	½ "
Rent	"	10	½ "
Insurance	"	11	½ "
Harold Brown	"	11	½ "
Walter Brown	"	11	½ "

On page 11 commence to enter, as they occur, the customers' accounts—three on each page.

On the last page commence to enter the accounts of firms from whom we purchase goods, three on each page, and work towards the first of the ledger.

In this way each class of accounts are in blocks by themselves which makes the trial balance convenient for ascertaining the condition of the business as will be seen later on.

As soon as any account is opened on the ledger it should at once be properly indexed.

When ready to post enter the page of each account on the cash book and journal on the same line and in the columns headed "Ledger Pages," but not as indications that the item has been posted. The index can then be laid aside and as each item has its page on the ledger it is easily found without having to refer to the index for each posting.

As soon as an item is posted place a neat check mark (✓) on the double ruled line between the debit and credit columns of the journal, or if it is from the cash book pursue the same course as shown in the illustration. These check marks are to be considered as evidence that the item has been posted.

Do not rule up accounts too close or to bring down balances until a trial balance has been made for reasons as will be found in the diary of transactions at the proper time.

In ruling up accounts the lines should extend across the page no matter if it does leave a vacant part of the paper and should be done exactly alike in every case so as to present a neat general appearance.

The single red line under a column of figures shows that it is to be footed to that point. A double red line under the footings shows that it has been closed.

The balance brought down, if any, shows that that much of the account above the double rulings remain unsettled.

The red diagonal line across the unwritten part of the page above the double closing lines is to receive no more entries.

The ruling of the ledger consists of spaces for date, a wide space for description, a narrow one for the pages of the books posted from and the money columns, and great care should be taken to fill each column with what belongs to it as the postings are made.

When a page is full and it is necessary to transfer an account to another page, write opposite the footings "amount to page—," and on the new page say "amount from page—," carrying the footings forward instead of differences.

ILLUSTRATIONS OF THE TREATMENT OF THE LEDGER.

FIRST NATIONAL BANK.

DATES	WHAT FOR	PAGES	Dr.	DATES	WHAT FOR	PAGES	Cr.
Jany. 1	To Deposit	C 1	1,000 00	Jany. 6	By Check No. 1	J 126	35
Feb. 2	"	" 1	500 00	7	" 2	" 100	00
6	"	" 1	1,000 00	27	" 3	" 131	28
8	"	" 1	70 00	30	" 4	" 296	56
8	"	" 1	500 00	30	" 5	" 75	00
10	"	" 1	150 00	Feb. 1	" 6	" 69	24
15	"	" 1	150 00	1	" 7	" 16	66
16	"	" 1	100 00	2	" 8	" 50	00
17	"	" 1	800 00	3	" 9	" 228	63
18	"	" 1	60 00	5	" 10	" 28	75
19	"	" 2	200 00	8	" 11	" 1,909	51
24	"	" 2	175 00	17	" 12	" 918	91
26	"	" 2	50 00	24	" 13	" 54	00
27	"	" 2	100 00	27	" 14	" 226	31
				27	" 15	" 80	00
					Balance down	543	78
			4,855 00			4,855	00
	Balance		543 78				

TRIAL BALANCES.

When you are ready to take off a trial balance, foot up both sides of every account in the ledger in pencil, placing the amounts immediately under the last figures of the column, then transfer these footings, in ink, to the trial balance sheet or book, placing all of the debit footings of the ledger in the debit or left hand money column of the trial balance and all of the credit footings in the right hand column. If the work is correct both sides of the trial balance will foot alike, but if not do not leave the work until it is made correct.

The following process will always show how much the trial balance must foot. The ledger being made up from the books posted from must necessarily amount to the same in the aggregate, therefore add to the total of the last trial balance the present totals of the journal and cash book debits and credits and the amounts of the cash book footings reversed, and the result will show what the trial balance must foot, thus:

Amount of the previous trial balance,	00,00.00	0,000.00
Amount of journal footings for this month,	9,037.78	9,037.78
Amount of the cash book footings for this month,	5,105.81	5,109.15
Amount of the cash book reversed,	5,109.15	5,105.81
The trial balance must foot	19,252.74	19,252.74

Trial balances are an absolute necessity for not only proving the work, but as a means of ascertaining the condition of the business, and should be taken monthly.

As soon as each trial balance is perfected, all accounts on the ledger that are equal on both sides should be footed in ink and ruled up as closed. All other accounts should be ruled up and the balances brought down, after which a trial balance of balances should be taken from the ledger, the totals of which will be necessary for the proofs of the next trial balance.

ILLUSTRATION OF A TRIAL BALANCE.

February, 29, 189—

March 31, 189—

PAGE	NAMES OF ACCTS.	LEDGER FOOTINGS		BALANCES		LEDGER FOOTINGS		BALANCES	
		DR.	CR.	DR.	CR.	DR.	CR.	DR.	CR.
1	James Brown,		3000 00		3000 00		3000 00		3000 00
2	Cash,	5109 15	5105 81	3 34		1320 88	1260 87	60 01	
3	First Nat'l Bank,	4855 00	4311 22	543 78		1543 78	1218 34	325 44	
4	Merchandise,	3941 20	1537 76	2493 44		3298 66	1346 73	2901 31	
8	Expense,	237 19	40 00	197 19		256 83			
10	Furniture and Fix- tures,	620 50		620 50		641 50		641 50	
10	Salaries,	142 00		142 00		277 00			
11	Freight,	328 33	21 47	306 86		316 00			
11	Interest and Disc't		99 66		99 66	5 13	99 66		
12	Profit and Loss,								
13	Bills Payable,		1154 88		1154 88	800 00	1154 88		354 88
14	Rent,	80 00		80 00		120 00			
14	Insurance,					31 46		31 46	
15	Harold Brown,	22 00		22 00		37 00			04
15	Walter Brown,	17 78		17 78		32 15			89
16	D. Dodsworth,	62 35	20 00	42 35		62 34	42 35	19 99	
16	S. Beardsley,	2 63		2 63		21 84	2 63	19 21	
16	W. Spencer,	19 79		19 79		30 28	19 79	10 49	
17	D. J. Mead,	22 57		22 57		40 87	22 57	18 30	
17	J. J. Bowen,	25 04		25 04		28 54	25 04	3 50	
17	M. F. Adams,	20 68	8 00	12 08		36 79	12 08	24 11	
18	P. J. Steut,	23 79		23 79		36 22	20 00	16 22	
18	J. T. Sawyer,	32 46		32 46		52 17	20 00	32 17	
18	W. W. Deering,	19 95		19 95		37 12	19 95	17 17	
19	V. Brandon,	51 77		51 77		55 42		55 42	
19	H. Boyle,	20 94	14 00	6 94		24 94	24 94		
19	C. Miller,	37 21		37 21		38 39	22 93	15 46	
20	F. Shores,	22 49		22 49		40 49	18 58	21 01	
20	Jos. Coulson,	30 63		30 63		34 08	14 63	19 45	
20	Jay Ryall,					25 38	4 25	21 11	
21	Roy Hamilton,					23 12	12 47	10 65	
23	Petty Accounts,					129 15	63 45	65 69	
38	Palmer & Co.,		186 94		186 94		186 94		186 94
38	Sharpless & Co.,	126 43	126 43				63 24	63 24	
39	Fleisher & Co.,	228 45	228 45				113 42	113 42	
39	Dobson & Co.,	946 32	1022 75		76 43		76 43	76 43	
39	Hurd & Co.,	226 31	226 31						
40	Jaffray & Co.,	1185 63	1354 91		169 28		530 75	530 75	
40	Sandon Chase & Co	448 26	448 26						
40	Lee, Tweedy & Co	345 89	345 89						
		19252 74	19252 74	4687 19	4687 19	9397 53	9397 53	4330 59	4330 59
PROOFS									
	Amt. of prev. trial bal.,	0000 00	0000 00			4687 19	4687 19		
	" of Journal footings,	9937 78	9937 78			2131 93	2131 93		
	" of Cash Book "	5105 81	5109 15			1260 87	1317 54		
	Same reversed,	5109 15	5105 81			1317 54	1260 87		
	Trial bal. must foot,	19252 74	19252 74			9397 53	9397 53		

DIARY OF TRANSACTIONS

FOR OPENING A BUSINESS WITH TWO PARTNERS EQUAL IN CAPITAL AND PROFITS OR LOSSES.

189—

- Jan. 1, Samuel Belding contributes merchandise \$2,409.50 and cash \$90.50.
 Jay Sanford contributes merchandise \$1,451.98; a horse, wagon and harness \$200.00; and cash \$848.02.
- “ 2, Deposited cash in James Dixon & Sons' Bank \$900.00 and bought a safe \$150.00, stove, etc., \$45.00, desk, etc., \$42.25, for which checks Nos. 1, 2 and 3 were given. Bought blank books, etc., for cash \$27.00.
- “ 3, Bought mdse. of Manning & Brown at 30 days, \$209.00; S. F. Deford & Co., 90 days, \$326.00; A. B. Little & Son, 20 days, \$126.00 and Hammond Mfg. Co., 10 days, \$1,416.28. Paid cash for postage, 75c.; advertising, \$2.25; signs, \$9.26. Sold mdse. for cash \$55.68.
- “ 4, Sold mdse. on 30 days time to Albert T. Canfield, \$126.00; Edward Schuman, \$13.48; Edmund R. Gardner, \$26.91; Frank K. Gunn, \$35.42; Charles C. Chadwick, \$18.96; Arthur Conner, \$101.48 and Theodore Peck, \$14.21; sold mdse. for cash, \$246.36; gave check No. 4 for freight, \$26.58; deposited in bank, \$200.00; charge Manning & Brown for overcharge in invoice of 3rd, \$26.41.
- “ 5, Gave check No. 5, \$41.00 for electric lights; sold mdse. on 30 days' time to Carrington & Co., \$42.00; Harry Crowell, \$89.40; Early Banks, \$14.28; Guy Miller, \$186.20; Thomas Bury & Son, \$40.63; Charles Churchill, \$25.44; Dwyer Brothers, \$15.91; Frank E. Briscoe, \$13.62; Addison Miller, \$68.75; Arthur Hayes, \$126.84; cash sales, \$198.64; deposited in bank, \$250.00; cash is short 7c., which must be charged to mdse.
- “ 6, Paid freight in cash, \$14.21; car truck for store, \$8.00; wrapping paper, twine, etc., \$4.85; paid cash for mdse. to fill orders, \$43.21; A. T. Canfield remits \$126.00 less a discount of \$3.78; gave check No. 6 for \$119.70 to A. B. Little & Son and charge them with \$6.30 for discount; sold mdse. to C. C. Chadwick, \$28.65; T. Peck, \$43.61; A. Conner, \$18.21; A. T. Canfield, \$136.42; Carrington & Co., \$76.93; Alger Platt, \$226.41; Campbell Watson, \$39.47; Samuel Hood, \$83.84; Samuel B. McElroy, \$81.97; sold for cash, \$186.43. Deposited in bank, \$270.00; cash is over, 24c., which must be credited to mdse.
- “ 8, Gave checks No. 7, \$125.00 for rent; No. 8, \$86.00 pay roll; paid cash rent of P. O. box, \$2.50, and a letter press, \$4.50; gave our 90 day note from the 3rd to S. F. Deford & Co., for \$326.00; sold mdse. to A. T. Canfield, \$46.28; S. B. McElroy, \$29.43; C. C. Chadwick, \$63.42; George D. Cooke, \$26.91; F. K. Gunn, \$18.43; sold mdse. to Henry McGrew for his note, \$586.28, at 30 days; cash sales, \$152.40; cash is over 1c., which must be credited to mdse.

- Jan. 9, Credit Alger Platt with note 30 days from the 6th, for \$226.41; bought mdse. of Jones, Beverly & Co., 30 days, \$896.00; Joseph Horne & Co., 4 mos., \$131.50; Buzby Dabbs & Co., 90 days, \$498.18; Morris Heacock & Co., 60 days, \$221.00; Atlanta Fabric Co., 60 days, \$168.75; charge to C. C. Chadwick error in extension, \$1.00, and credit mdse.; sold mdse. to Harold & Charles, \$69.00; Samuel Mansfield, \$84.42; Louis D. Hunt, \$19.63; Thomas G. Connor, \$78.20; Robert M. Abbott, \$46.74; gave our note 4 mos. to Jos. Horne & Co. for \$131.50; deposited \$270.00; paid cash telegrams 30c., postage 20c., charity \$1.00; S. Belding \$10.00, J. Sanford \$15.00; Discounted our 30 day note at Dickson & Sons' Bank, avails \$994.30 deposited; charge expense with discount \$5.70; cash sales, \$161.94.
- " 10, Sold A. Platt's note, \$226.41, and deposited the avails, \$226.00, expense for discount 41c.; credit C. C. Chadwick with his note 30 days from the 4th, \$17.96; and T. Peck's note for \$14.21; gave check No. 9 for N. Y. draft, \$1,000.00, sent to Hammond Mfg. Co.; paid cash for exchange, \$1.00; J. Sanford \$10.00; coal \$12.00 and telephone \$6.00; sold to E. R. Gardner, mdse., \$41.00; A. Connor, \$64.19; A. Platt, \$37.63; C. Watson, \$55.84; Perry H. Davis, \$16.43; Carrington & Co., \$46.91; Geo. W. Arnold, Jr., \$43.82; cash sales, \$193.95; deposited \$150.00; A. Connor gave his note 30 days for \$101.48; E. Schuman remits \$12.93, we credit him discount 40c. and exchange 15c.; paid cash for charity, \$15.00.
- " 11, Gave our note to M. Heacock & Co. 60 days from 9th for \$210.00; we buy a house and lot for \$2,000.00 and gave check No. 10 for \$500.00 and three notes of \$500.00 each at 6, 12 and 18 mos.; paid cash for fuel \$3.75, scrubbing \$1.00 and water tax \$5.00; F. E. Briscoe's loss by fire closes his business. We allow him \$6.81 and charge it to profit and loss and he pays the balance 50 % — \$6.81 in cash; sold to C. Churchill mdse., \$65.24; C. Watson \$187.43; F. K. Gunn, \$18.62; A. Platt, \$178.91; Peyton H. Taylor, \$16.43; Charles C. Ruff, \$98.75 and Ed. N. Dowdall, \$47.84; cash sales, \$218.46; deposited \$200.00; exchanged checks with Flynn Bros. & Co. for \$165 for which we gave check No. 11 and deposited his check in the bank.
- " 12, Carrington & Co. sends us their note dated 8th, 30 days, for \$165.84; sold stamps for cash, 10c.; and received cash for overcharge in freight, \$1.28; we sold McGrew's note \$586.28, A. Conner's note \$101.48 and Carrington's note \$165.84, and deposited the avails, \$848.34, charging discounts \$5.26, to expense. We credit A. Hayes with mdse. returned, \$18.96; Flynn Bros. & Co.'s check was returned to us unpaid; we give our check No. 12, \$165.00 to take it up and charge it to Flynn Bros. & Co.; T. Peck gives a new note for the balance of his account, \$57.82, which includes the amount of his note of \$14.21, which we return to him. W draw

on Harold & Charles 30 days from the 9th for \$69.00, which they accept. We accept a draft from the Atlanta Fabric Co., 60 days from the 9th, for \$168.75.

Jan. 13, Gave check No. 13 for \$10.00 for currency use in the store; we buy a horse of Harry Crowell for \$89.40; sold for cash commission produce from Chas. Churchill and credit him with receipts \$45.00 on account, and charge him with commission for selling, 45c.; we credit A. Miller with cash \$20.00, collected on collaterals left with us; Flynn Bros. & Co. pays in cash \$20.00 and gave a demand note for \$145.00, to take up their check.

EXPLANATIONS OF THE DIARY OF TRANSACTIONS.

The cash in this form first includes the bank account only by way of illustration, but is not to be recommended, as everything pertaining to the business should be placed upon the ledger.

Jan. 1, "Horses and Wagons" should include nothing but the first cost of horses, wagons and harness, all repairs or renewals should be charged to expense. The account as in fixtures, machinery, tools, etc., should be so kept as to show only the cost of the outfit necessary and not for repairs or renewals.

" 2, The stove, safe, desk, etc., are fixtures and are charged to "Office Fixtures" account. Blank books cannot be sold and so are charged to "Expense" account, which are paid for in currency.

" 3, Debit "merchandise" for purchases and credit each concern for their proportion. Signs, advertising, etc., we charge to Expense as they cannot be realized from. As merchandise is sold for cash we credit the amount sold each day on the cash book to "Merchandise" account.

" 4, Each day's time sales are posted daily and the total credited to "Merchandise." Freight paid is charged to "Freight" account, (which account should include all freights paid or received.) There was an overcharge in Manning & Brown's invoice of the 3rd of \$26.41, and as they are already credited with the full amount, we charge the amount back to them. Invoices should not be entered up until the extensions and prices have been verified and this transaction is entered as above only for illustration.

" 5, Electric light fixtures when put up have a partial value but it would be so small that we treat it as an expense item. In making up the cash account for the day we find it short 7c., which we charge to "Merchandise," (or Expense if desirable). Any small amount over or short should be entered up and posted on the day they occur and not allowed to accumulate. A large deficiency or excess should, on the day of its occurrence, be entered and posted to, say "Suspense" account, as it will sooner or later be found and can then be transferred to its proper account.

Jan. 6, Car truck is charged to "Fixtures"; wrapping paper, etc., to "Expense."

In one of the orders for goods by mail we have to purchase several articles not in stock. We pay cash for same and charge it to "Merchandise" on the cash book. A. T. Canfield, to avail himself of 3 % discount on his bill of the 4th of \$126, remits \$122.22. We credit him with the cash received, and also with the discount \$3.78, on the cash book, and then charge "merchandise" on the cash book with discount \$3.78. The process of placing only the cash received (\$122.22) on the cash book, and passing the discount through the journal, would be the proper method, but within is applicable. We pay the invoice of A. B. Little & Son before it is due and take off the discount \$6.30. We debit them on the cash book for the amount of the remittance and the discount separately, and credit (on the cash book) "merchandise" for the discount. It is often charged and posted in one item, but it is preferable to post them as shown, because the ledger account of the party always shows on its face precisely how settlements have been made without having to trace it to other books or correspondence.

" 8, In giving notes "Bills Receivable" is to be credited and "S. F. Deford & Co.'s" acct. charged with the amount. This closes their open account and throws it into Bills Receivable. We sell merchandise to Henry McGrew, with whom we have no account opened upon the ledger, and as there will be no more transactions, we take his note for the amount, charge it to "Bills Receivable," and credit "merchandise."

" 9, C. C. Chadwick advises us of an error in his bill of the 4th of \$1.00 in our favor. We therefore charge his account with the same and credit it to "merchandise." Each of the partners draw cash for their own use. We open an account with each as "Personal" accounts and post accordingly. Such items may be, and often are, posted to their "Stock" accounts, but is not commendable. We need money and sell or discount our firm note for \$1,000. On the cash book we credit "Bills Receivable" with that amount, and charge "Expense" with the discount \$5.70. The discounts on purchases and sales of mdse. belong to the "mdse." acct., but the discount on notes belongs to "Expense" account.

" 10, We sell or discount A. Platt's note to us before it is due. We credit on the cash book "Bills Receivable" acct. with the amount of the note, and charge the discount to "Expense." We buy a draft on New York for \$1,000 which costs us \$1.00, which we charge to "Expense." An account called "Interest, Discount and Exchange" is usually kept, in which is posted all classes of Int., Discount or Exchange, whether received or paid; but in any case all discounts on purchases and sales should go directly to "merchandise" account, or to an account for that particular purpose, which may

be called "Merchandise Discount" account, in order that it may be kept separate and distinct. E. Schuman settles his account of \$13.48 by remitting \$12.93, claiming a discount of 40 cts. and and the cost of exchange, 15 cts. As an illustration, we credit him with the full amount as cash on the cash book, and charge "Merchandise" with the discount, and "Expense" with the exchange.

Jan. 11, We purchase a house and lot for \$2,000. We give our check for \$500, which we enter on the cash book, charged to "Real Estate." We give three notes of \$500 each for the balance, which we enter on the journal charging the same to "Real Estate," and crediting "Bills Payable." A valuable customer, F. E. Briscoe, is burned out and offers 50 cents on the dollar. We accept it and credit him on the cash book with \$6.81 and on the journal with \$6.81, which we charge direct to "Profit and Loss" acct. Flynn Bros. & Co. ask us to exchange checks with them, we to deposit their check to us as cash. (An account of some kind should be kept for such instances.) No account is made of the transaction, as cash account is neither lessened or increased thereby.

" 12, Sold postage stamps for 10 cts., which we credit and post to "Expense" acct. We also receive cash \$1.28 for overcharge in freights, which we credit and post to "Freight" acct. The several Bills Receivable sold to the bank are credited separately and posted to "Bills Receivable" acct., each one immediately opposite its debit entry. A. Hayes returns merchandise. We credit (on the journal) his account with \$18.96, and charge it to "Merchandise." Flynn Bros. & Co.'s check is returned to us as there were no funds to meet it. We therefore give our check for the amount and take it out of bank. We now open an account with "Flynn Bros. & Co.," and charge them with cash \$165.00. T. Peck, having sent us his note for \$14.21 on the 10th, wishes to cancel it and give a new note for the full amount due us. We return the first note and take a new one for \$57.82. We charge "Theo. Peck" on the journal with \$14.21 and credit "Bills Receivable," which opens Peck's account again. We now credit his account by note in full, \$57.72, and charge "Bills Receivable" with the same. We draw a draft on Harold & Charles at 30 days for \$69.00, which they accept and which we credit them with on the journal and charge "Bills Receivable." The "Atlanta Fabric Co." draws on us at 60 days, which we accept. On the journal we charge their account with the same and credit "Bills Payable." It is optional with book-keepers whether acceptances be treated as Bills Receivable or Bills Payable.

Jan. 13, We give a check for currency for use in the store and make no entry, as cash is not affected; but if the cash and bank account are kept upon the ledger, then an entry for every check and deposit would be necessary.

- “ 14, We purchase another horse, which, through the journal, we charge to “Horses and Wagons” acct., and credit the same to Harry Crowell.
- “ 15, C. Churchill ships us some produce to sell for him. We sell and receive cash \$45.00, which we credit on the cash book to his account, and charge him on the journal for the commission for selling, 45 cts., and credit it to “Profit and Loss.”
- “ 16, A. Miller had left with us as collateral security, notes which are not to enter upon the books in any way until they are paid, from the fact that by entering them up to his credit and debiting Bills Receivable, they would become absolute assets and make us responsible. While holding them as collateral there is no responsibility whatever. We have collected \$20.00 on one note and credit the amount to Miller’s account.
- “ 17, Flynn Bros. & Co., not being able to take up their check, pay \$20.00 in cash and give us their demand note for the balance. We therefore, on the cash book, credit them with that amount, and on the journal we credit them with the note and charge the same to “Bills Receivable.”

CASH RECEIVED, JANUARY, 189—

1	Samuel Belding, Stock, Cash,	90	50		
1	Jay Sanford, Stock, "	848	02		
3	Merchandise, " Sales, S. B.	55	68		
4	" " " "	243	26		
5	" " " "	198	61	1436	10
		1436	10		
Cash on hand,		1091	94		
6	A. T. Canfield, Cash,	122	22		
6	" Discount 3%	3	78		
6	Merchandise, 5% Discount, Little & Son,	6	30		
6	" Cash Sales, S. B.	186	43		
6	" " over,		26		
8	" " Sales, S. B.,	152	40		
8	" " over,		01	471	40
		1563	34		
Cash on hand,		1145	29		
9	Bills Payable, Our Note, \$1000, 30 days, Discounted,	1000	00		
9	Merchandise, Cash Sales, S. B.	161	94		
10	Bills Receivable, Platt's Note Discounted,	220	41		
10	E. Schuman, Cash in full,	} C., 12.93 Dis., .40 Exchg., .15	13	48	
10	Merchandise, " Sales, S. B.		103	95	
11	F. E. Briscoe, " in full,		6	81	
11	Merchandise, " Sales, S. B.	218	46		
12	Expense, " Stamps Sold,		10		
12	Freight, " Overcharge Refunded,		1	28	
12	Bills Receivable, McGrew's Note, Discounted,		586	28	
12	" " Gonner's " "		101	18	
12	" " Carrington's " "		165	84	
13	C. Churchill, Cash on a/c		45	00	
13	A. Miller, " "		20	00	
13	Flynn Bros. & Co., " "		20	00	2761 03
13	Cash Receipts and Payments a/c, Total Receipts to date,			4668	53
		3906	32		
Cash on hand,		2149	15		

CASH PAID, JANUARY, 189--

2	Office Fixtures,	Check for Safe,	150	00		
2	"	" Stove,	45	00		
2	"	" Desk, etc.,	42	25		
2	Expense	Currency for Blank Books	27	00		
3	"	" Signs, etc.	9.26 75 2.25	12	26	
4	Freight,	Check M. C. R. Co.	26	58		
5	Expense,	" Electric Lights,	41	00		
5	Merchandise,	Cash Short		07	344	16
		Cash in Bank	1086.17			
		Cash on hand	5.77	1091	94	
				1436	10	
6	Freight,	Cash M. C. R. R.	14	21		
6	Office Fixtures,	" Store Truck,	8	00		
6	Expense,	" Paper, Twine, etc.,	4	85		
6	Merchandise,	" Sundry Purchases,	43	21		
6	"	" Disc't Canfield 3 1/2	3	78		
6	A. B. Little & Son,	Check in Full,	119	70		
6	"	Cash Discount,	6	30		
8	Expense,	" Rent P. O. Box,	2	50		
8	Office Fixtures,	" Letter Press,	4	50		
8	Expense,	Check for Rent,	125	00		
8	Salaries,	" Pay Roll,	86	00	418	05
		Cash in Bank,	984.47			
		Cash on hand,	160.82	1145	29	
				1503	34	
9	Expense,	Cash Stamps, etc.,	1	50		
9	"	" Disc't on \$1,000 Note,	5	70		
9	S. Belding, Personal,	"	10	00		
9	J. Sanford,	"	15	00		
10	Hammond Mfg. Co.,	Check for N. Y. Draft on Acc't,	1000	00		
10	Expense,	Cash Exchange,	1	00		
10	"	" Disc't Platt's Note,		41		
10	J. Sanford, Personal,	"	10	00		
10	Merchandise,	" Discount Schuman 3 1/2		40		
10	Expense,	" Exchange,		15		
10	"	" Coal,	12	00		
10	"	" Telephone,	6	00		
10	"	" Charity,	15	00		
11	Real Estate,	Check First Payment,	500	00		
11	Expense,	Cash Water Tax, etc.,	5.00 3.75 1.00	9	75	
12	"	" Discount Sundry Notes,	5	26		
12	Flynn Bros. & Co.,	Check to take up theirs returned,	165	00	1757	17
13	Cash Receipts and Payments a/c	Total Payments to date,			2519	38
		Cash in Bank,	2003.11			
		Cash on hand,	146.04	2149	15	
				3906	32	

JANUARY, 189—

L. P.

DR.

CR.

		DR.		CR.	
1st					
Merchandise,	To Sundries,	3861	48		
	Samuel Belding, Stock,			✓ 2409	50
	Jay Sandford, Stock			✓ 1451	98
1st					
Horses and Wagons, To		200	00		
	Jay Sandford, Stock,			✓ 200	00
3d					
Merchandise,	To Sundries,	2077	28		
	Manning & Brown, 30 days,			209	00
	S. F. Deford & Co., 90 "			326	00
	A. B. Little & Son, 20 "			126	00
	Hammond Mfg Co. 10 "			1416	28
4th					
Sundries, To Merchandise,				✓ 336	46
Albert T. Canfield,	30 days, S. B., 1-1	126	00		
Edward Schuman,	" " " "	13	48		
Edmund R. Gardner,	" " " "	26	91		
Frank K. Gunn,	" " " "	35	42		
Charles C. Chadwick,	" " " 1-2	18	96		
Arthur Conner,	" " " "	101	48		
Theodore Peck,	" " " "	14	21		
4th					
Manning & Brown, To Overcharge, 3 d.,		26	41		
	Merchandise,			✓ 26	41
5th					
Sundries, To Merchandise,				✓ 623	07
Carrington & Co,	60 days, S. B., 1-2	42	00		
Harry Crowell,	" " " 1-3	89	40		
Early Banks,	" " " 1-6	14	21		
Guy Miller,	" " " 1-5	186	20		
Thomas Bury & Son,	" " " 1-7	40	63		
Charles Churchill,	" " " 1-8	25	44		
Dwyer Bros.,	" " " 1-6	15	91		
Frank E. Briscoe,	" " " 1-9	13	62		
Addison Miller,	" " " 1-12	68	75		
Arthur Hayes,	" " " 1-8	126	84		
6th					
Sundries, To Merchandise,				✓ 735	51
C. C. Chadwick,	30 days, S. B., 2-1	28	05		
T. Peck,	" " " 2-1	43	61		
Forward,		7196	96	7860	21

JANUARY, 189—

Forward,		7146	96	7860	21
6th					
A. Conner,	30 days, S. B., 2-2	18	21		
A. T. Canfield,	" " " 2-3	136	42		
Carrington & Co.,	" " " 2-4	76	93		
Alger Platt,	" " " 2-7	226	41		
Campbell Watson,	" " " 2-8	39	47		
Samuel Hood,	" " " 2-9	83	84		
Samuel B. McElroy,	" " " 2-10	81	97		
8th					
S. F. Deford & Co., To Note 90 days, 3 days,		326	00		
Bills Payable,				326	00
8th					
Sundries, To Merchandise,				779	75
Bills Receivable,	H. McGrew, S. B., 1-12	586	28		
A. T. Canfield,	30 days, S. B., 1-13	46	28		
S. B. McElroy,	" " " 1-13	39	43		
C. C. Chadwick,	" " " 1-14	63	42		
George D. Cook,	" " " 1-15	26	91		
F. K. Gunn,	" " " 1-15	18	43		
9th					
Bills Receivable, To Note 6th, 30 days,		226	41		
A. Platt,				226	41
9th					
Merchandise to Sundries,		1915	41		
Jones & Beverly, 30 days,				806	00
Jos. Horne & Co., 4 mos.,				131	50
Buzby, Dabbs & Co., 90 days,				498	18
Morris, Heacock & Co., 60 days,				221	00
Atlanta Fabric Co., 60 "				168	75
9th					
C. C. Chadwick, To Error Extending 4th,			30		
Merchandise,				1	00
9th					
Jos. Horne & Co., To Note 4 mos.,		131	50		
Bills Payable,				131	50
9th					
Sundries, To Merchandise,				297	99
Harold & Charles,	30 days, S. B., 2-12	69	00		
Samuel Mansfield,	" " " 2-14	84	42		
Louis D. Hunt,	" " " 2-15	19	63		
Thomas G. Conner	" " " 2-15	78	20		
Robert M. Abbott,	" " " 2-16	46	74		
Forward,		11529	29	11529	29

JANUARY, 189—

Forward,		11529	29	11529	29
10th					
Bills Receivable,	To Note, 4th, 30 days,	17	96	✓	
" "	" " " "	14	21	✓	
" "	" " " "	101	48	✓	
C. C. Chadwick,				✓	17 96
T. Peck,				✓	14 21
A. Conner,				✓	101 48
10th					
Sundries, To Merchandise,				✓	305 82
E. R. Gardner, 30 days, S. B., 1-16		41	00	✓	
A. Conner, " " " 1-18		64	19	✓	
A. Platt, " " " 1-19		37	63	✓	
C. Watson, " " " 1-20		55	84	✓	
Perry H. Davis, " " " 1-21		16	43	✓	
Carrington & Co. " " " 1-21		46	91	✓	
G. W. Arnold, jr. " " " 1-22		43	82	✓	
11th					
M. Heacock & Co., To Note, 9th, 60 days,		221	00	✓	
Bills Payable,				✓	221 00
11th					
Real Estate, To Notes,		1500	00	✓	
Bills Payable, 6 months.				✓	500 00
" " 12 "				✓	500 00
" " 18 "				✓	500 00
11th					
Profit and Loss, To Allowance,		6	81	✓	
F. E. Briscoe,				✓	6 81
11th					
Sundries, To Merchandise,				✓	613 22
C Churchhill, 30 days, S. B., 2-17		65	24	✓	
C. Watson, " " " 2-19		187	43	✓	
F. K. Gunn, " " " 2-20		18	62	✓	
A. Platt, " " " 2-22		178	91	✓	
Peyton H. Taylor, " " " 2-23		16	43	✓	
Charles C. Ruff, " " " 2-24		98	75	✓	
Ed. N. Dowdall, " " " 2-25		47	84	✓	
12th					
Bills Receivable, To Note, 8th, 30 days,		165	84	✓	
Carrington & Co.				✓	165 84
12th					
Merchandise, To Goods returned,		18	96	✓	
A. Hayes,				✓	18 96
Forward,		14494	59	14494	59

JANUARY, 189—

Forward,	14494	59	14494	59
12th				
T. Peck, To Note returned,	14	21		
Bills Receivable,			14	21
12th				
Bills Receivable, To New Note, 5th, 30 days,	57	82		
T. Peck,			57	82
12th				
Bills Receivable, to Acceptance, 9th, 30 days,	69	00		
Harold & Charles,			69	00
12th				
Atlanta Fabric Co., To Note, 9th, 60 days,	168	75		
Bills Payable.			168	75
13th				
Horses & Wagon, To Horse,	89	40		
Harry Crowell,			89	40
13th				
Charles Churchill, To Commission,		45		
Profit and Loss,				45
13th				
Bills Receivable, To Demand Note,	145	00		
Flynn Bros & Co.,			145	00
	15039	22	15039	22

SAMUEL BELDING—STOCK.

189-					189-	Jan.	1	Mdse.,	J	2409	50
							1	Cash,	C	90	50

JAY SANFORD—STOCK.

					Jan.	1	Mdse..	J	1451	98
						1	Horse, Wagon, etc.;	"	200	00
						1	Cash,	C	848	02

MERCHANDISE.

Jan.	1	Sundries,	J	3861	48	Jan.	3	Sales Cash,	C	55	68
	3	"	"	2077	28		4	" Time,	J	336	46
	5	Cash Short,	C		07		4	Manning & Brown,	"	26	41
	6	"	"	43	21		4	Sales Cash,	C	243	26
	6	" Discount,	"	3	78		5	" "	"	198	64
	9	Sundries,	J	1915	43		5	" Time,	J	623	07
	10	Cash Discount,	C		40		6	" "	"	735	51
	12	Hayes,	J	18	96		6	Cash Disc't,	C	6	30
							6	Sales Cash,	"	186	43
							6	Cash over.	"		26
							8	Sales Time,	J	770	75
							8	" Cash,	C	152	40
							8	Cash over,	"		01
							9	Chadwick,	J	1	00
							9	Sales, Time,	"	297	99
							9	" Cash,	C	161	94
							10	" Time,	J	305	82
							10	" Cash,	C	193	95
							11	" "	"	218	46
							11	" Time,	J	613	22

FREIGHT.

Jan.	5	Cash,	C	26	58	Jan.	12	Cash,	C	1	28
	6	"	"	14	21						

SALARIES.

Jan.	8	Cash pay roll,	C	86	00						
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CASH RECEIPTS AND PAYMENTS.

Jan.	13	Receipts,	C	4668	53	Jan.	13	Payments,	C	2519	38
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PROFIT AND LOSS.

Jan.	11	Briscoe,	J	6	81	Jan.	13	Churchill, Com.,	J		45
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EXPENSE.

189— Jan.				189— Jan.				
2	Cash, Books,	C	27 00	12	Cash, Stamps Sold,	C	0	10
3	" Signs,	"	12 26					
5	" Lights,	"	41 00					
6	" Paper, &c.,	"	4 85					
8	" P. O. Box,	"	2 50					
8	" Rent,	"	125 00					
9	" Stamps,	"	1 50					
9	" Disct. Notes,	"	5 70					
10	" Exchange,	"	1 00					
10	" Disct. Notes,	"	0 41					
10	" Exchange,	"	0 15					
10	" Coal,	"	12 00					
10	" Telephone,	"	6 00					
10	" Charity,	"	15 00					
11	" Water Tax, &c.,	"	9 75					
12	" Disct. Notes,	"	5 26					

HORSES AND WAGONS.

Jan.	1	Sanford,	J	200	00			
	13	Crowell,	"	80	40			

REAL ESTATE—161 DELAWARE AVE.

Jan.	11	Cash,	C	500	00
	11	Bills Payable,	J	1500	00

OFFICE FURNITURE.

Jan.	2	Cash, Safe,	C	150	00
	2	" Stove,	"	45	00
	2	" Desk,	"	42	25
	6	" Truck,	"	8	00
	8	" Letter Press,	"	4	50

S. BELDING (PERSONAL).

[illegible]

J. SANFORD (PERSONAL).

Jan.	9	Cash,	C	15	00					
	10	do	do	10	00					

BILLS RECEIVABLE.

189- Jan.	8	McGrew, 30 days,	J	586	28	189- Jan.	12	Cash, McGrew, dis.	C	586	28
	9	Platt, 6th,	"	226	41		10	Cash, Platt, dis.	"	226	41
	10	Chadwick, 4th,	"	17	96		12	Returned, Peck,	J	14	21
	10	Peck, 4th,	"	14	21		12	Cash, Conner, dis.	C	101	48
	10	Conner, 10th,	"	101	48		12	Cash, Carrington, dis.	C	165	84
	12	Carrington, 8th,	"	165	84						
	12	Peck, 5th,	"	57	82						
	12	Harold & Co., 9th,	"	69	00						
	13	Flynn, Demand,	"	145	00						

BILLS PAYABLE.

						Jan.	8	Deford, 3 d., 90 ds.	J	326	00
							9	Horne, 4 mos.	"	131	50
							9	Our, 30 ds.	C	1000	00
							11	Heacock, 9th, 30 ds.	J	221	00
							11	Real Estate, 6 mos.	"	500	00
							11	Real Estate, 12 mos.	"	500	00
							11	Real Estate, 18 mos.	"	500	00
							12	Atlanta Fab. Co., 9th, 60 ds	"	168	75

FLYNN BROS. & CO.

Jan.	12	Cash,	C	165	00	Jan.	13	Cash,	C	20	00
								Bills Receivable,	J	145	00

ALBERT T. CANFIELD—SEDALIA, MO.

Jan.	4	Mdse. 30 ds., S. B. 1-10	J	126	00	Jan.	6	Cash,	C	122	22
	6	" " " 1-20	"	136	42		6	" Disct.	"	3	78
	8	" " " 1-40	"	46	28						

EDWARD SCHUMAN—ST. PAUL.

Jan.	4	Mdse., 30 ds., S. B. 1-3	J	13	48	Jan.	10	Cash,	C	12	93
								" Disct.	"		40
								" Exchange	"		15

EDMUND R. GARDNER—STEUBENVILLE.

Jan.	4	Mdse., 30 ds., S. B. 1-4	J	26	91						
	10	" " " 1-7	"	41	00						

FRANK C. GUNN—DENVER.

189- Jan.	4	Mdse., 30 ds. S. B. 1-4	J	35	42	189-					
	8	" " " 1-2	"	18	43						
	11	" " " 1-55	"	18	62						

CHARLES C. CHADWICK—SEATTLE.

Jan.	4	Mdse., 30 ds., S. B. 1-5	J	18	96	Jan.	10	Bills Rec., 4th, 30 ds.	J	17	96
	6	" " " 1-21	"	28	65						
	8	" " " 1-49	"	63	42						
	9	" Error, 4th.	"	1	00						

ARTHUR CONNER—NEW ORLEANS.

Jan.	4	Mdse., 30 ds., S. B. 1-5	J	101	48	Jan.	10	Bills Rec., 4th, 30 ds.	J	101	48
	6	" " " 1-7	"	18	21						
	9	" " " 1-27	"	64	19						

THEODORE PECK—DETROIT.

Jan.	4	Mdse., 30 ds., S. B. 1-10	J	14	21	Jan.	10	Bills Rec., 4th, 30 ds.	J	14	21
	6	" " " 1-24	"	43	61		12	" " 5th, 30 ds.	"	57	82
	12	Bills Receivable, ret'd	"	14	21						

CARRINGTON & CO.—CLEVELAND.

Jan.	5	Mdse., 30 ds., S. B. 1-12	J	42	00	Jan.	12	Bills Rec., 8th, 30 ds.	J	165	84
	6	" " " 1-26	"	76	93						
	10	" " " 2-71	"	46	91						

HARRY CROWELL—MANHATTAN.

Jan.	5	Mdse., 30 ds., S. B. 1-24	J	89	40	Jan.	13	Horse,	J	89	40
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EARLY BANKS—AUSTIN.

Jan.	5	Mdse., 30 ds., S. B. 1-24	J	14	28						
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GUY MILLER—ST. LOUIS.

Jan.	5	Mdse., 30 ds., S. B. 1-25	J	136	20						
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THOMAS BERRY & SON—CHARLESTON.

189- Jan.	6	Mdse., 30 ds., S. B., 1-26 J	40	63	189-				
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CHARLES CHUCHILL—ASTORIA.

Jan.	5	Mdse., 30 ds., S. B. 1-12 J	25	44	Jan.	13	Cash	C	45	00
	11	" " " 1-30 "	65	24						
	13	Com'n on sales "		45						

FRANK E. BRISCOE—BOSTON.

Jan.	5	Mdse., 30 ds., S. E. 1-84 J	13	62	Jan.	11	Cash	C	6	81
						11	Allowance	"	6	81

DWYER BROS.—SALT LAKE CITY.

Jan.	5	Mdse., 30 ds., S. B. 1-84 J	15	91						
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ADDISON MILLER—LOS ANGELES.

Jan.	5	Mdse., 30 ds., S. B. 2-2	68	75	Jan.	13	Cash	C	20	00
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ARTHUR HAYES—WASHINGTON.

Jan.	5	Mdse., 30 ds., S. B. 2-3	126	84	Jan.	12	Mdse. ret'd	J	18	96
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ALGER PLATT—NEW YORK.

Jan.	6	Mdse., 30 ds., S. B. 2-7 J	226	41	Jan.	9	Bills Rec., 30 ds.	J	226	41
	10	" " " 2-20 "	37	63						
	11	" " " 2-62 "	178	91						

CAMPBELL WATSON—KANSAS CITY.

Jan.	6	Mdse., 30 ds., S. B. 2-9 J	39	47						
	10	" " " 2-17 "	55	84						
	11	" " " 2-24 "	187	43						

SAMUEL HOOD—CHICAGO.

Jan.	6	Mdse., 30 ds., S. B. 2-13 J	83	84						
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SAMUEL B. McELROY—PHILADELPHIA.

189- Jan.	6	Mdse., Eod's., S. B. 2-21 J	81	97	189-				
	8	" " " 2-46 "	29	43					

GEORGE D. COOK—MANSFIELD.

Jan.	8	Mdse., 30 ds., S. B. 2-35 J	26	91
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HAROLD & CHARLES—DETROIT.

Jan.	9	Mdse., 30 ds., S. B. 2-43	J	69	00	Jan.	12	Bills Rec., 9th, 30 ds.	J	69	00
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SAMUEL MANSFIELD—NASHVILLE.

[illegible]

LOUIS D. HUNT—ALBANY.

[illegible]

THOMAS G. CONNER—RICHMOND.

Jan.	9	Mdse., 30 ds., S. B. 2-46 J	78	20
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ROBERT M. ABBOTT—MONTGOMERY.

[illegible]

PERRY H. DAVIS—BIRMINGHAM.

[illegible]

GEORGE W. ARNOLD, JR.—MILWAUKEE.

Jan.	10	Mdse., 30 ds., S. B. 2-49 J	43	82
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PEYTON H. TAYLOR—BALTIMORE.

Jan.	11	Mdse., 30 ds., S. B. 2-50 J	16	43
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CHARLES C. RUFF—RALEIGH.

[illegible]

EDWARD N. DOWDALL—DECATUR.

189- Jan.	11	Mdse., 30 ds., S. B. 2-54	J	47	84	189-					
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MANNING & BROWN—NEW YORK.

Jan.	4	Mdse. overchg.	J	26	41	Jan.	3	Mdse., 30 ds.	J	209	00
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S. F. DEFORD & CO.—SAN FRANCISCO.

Jan.	8	Bills Pay., 3d, 90 ds.	J	326	60	Jan.	3	Mdse., 90 ds.	J	326	00
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A. B. LITTLE & SON—TOLEDO.

Jan.	6	Cash,	C	119	70	Jan.	3	Mdse., 20 ds.	J	126	00
	6	" Discount,	"	6	30						

HAMMOND MANUFACTURING CO.—CHICAGO.

Jan.	10	Cash,	C	1000	00	Jan.	3	Mdse., 10 ds.	J	1416	28
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JONES, BEVERLY & CO.—PITTSBURGH.

						Jan.	9	Mdse., 30 ds.	J	896	00
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JOSEPH HORNE & CO.—PITTSBURGH.

Jan.	9	Bills Payable, 4 mos.	J	131	50	Jan.	9	Mdse., 4 mos.	J	131	50
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BUZBY, DUBBS & CO.—PHILADELPHIA.

						Jan.	9	Mdse., Feb. 1, 90 ds.	J	498	18
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MORRIS HEACOCK & CO.—CINCINNATI.

Jan.	11	Bills Pay'ble, 9th, 60 ds.	J	221	00	Jan.	9	Mdse., 60 ds.	J	221	00
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ATLANTA FABRIC CO.—ATLANTA.

Jan.	12	Bills Pay'ble, 9th, 60 ds.	J	168	75	Jan.	9	Mdse., 60 ds.	J	168	75
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TRIAL BALANCE, JANUARY 13TH, 189—

	LEDGER FOOTINGS.				LEDGER BALANCES.			
	DR.		CR.		DR.		CR.	
S. Belding, Stock,			2500	00			2500	00
J. Sanford, "			2500	90			2500	00
Merchandise,	7920	61	5127	56	2793	05		
Freight,	40	79	1	28		39	51	
Salaries,	86	00				86	00	
Cash and in Bank,	4668	53	2519	38	2149	15		
Profit and Loss,	6	81		45		6	36	
Expense,	269	38		10		269	28	
Horses and Wagons,	289	40				289	40	
Real Estate,	2000	00				2000	00	
Office Furniture,	249	75				249	75	
S. Belding, Pl.	10	00				10	00	
J. Sanford, Pl.	25	00				25	00	
Bills Receivable,	1384	00	1094	22		289	78	
Bills Payable,			3347	25				3347 25
Flynn Bros. & Co.,	165	00	165	00				
	17115	27	17255	24	8207	28	8347	25
A. T. Canfield,	308	70	126	00	182	70		
Ed. Schuman,	13	48	13	48				
Ed. R. Gardner,	67	91			67	91		
F. K. Gunn,	72	47			72	47		
C. C. Chadwick,	112	03	17	96	94	07		
A. Conner,	183	88	101	48	82	40		
T. Peck,	72	03	72	03				
Carrington & Co.,	165	84	165	84				
Harry Crowell,	89	40	89	40				
E. Banks,	14	28			14	28		
Guy Miller,	183	20			186	20		
T. Bury & Son,	40	63			40	63		
C. Churchill,	91	13	45	00	46	13		
F. E. Briscoe,	13	62	13	62				
Dwyer Bros.,	15	91			15	91		
A. Miller,	68	75	20	00	48	75		
A. Hayes,	126	84	18	96	107	88		
A. Platt,	442	95	226	41	216	54		
C. Watson,	282	74			282	74		
S. Hurd,	83	84			83	84		
S. B. McElroy,	111	40			111	40		
G. D. Cooke,	26	91			26	91		
Harold & Charles,	69	00	69	00				
S. Mansfield,	84	42			84	42		
L. D. Hunt,	19	63			19	63		
T. G. Conner,	78	20			78	20		
R. M. Abbott,	46	74			46	74		
P. H. Davis,	16	43			16	43		
P. W. Arnold, Jr.	43	82			43	82		
P. H. Taylor,	16	43			16	43		
C. C. Ruff,	98	75			98	75		
E. N. Dowdall,	47	84			47	84		
	20227	47	18234	42	10340	30	8347	25
Manning & Brown,	26	41	209	00			182	59
S. F. Deford & Co.,	326	00	326	00				
A. B. Little & Son,	126	00	126	00				
Hammond Manufacturing Co.,	1000	00	1416	28			4 6	28
Jones, Beverley & Co.,			896	00			896	00
Jos. Horne & Co.,	131	50	131	50				
Buzby, Dobbs & Co.,			498	18			498	18
M. Heacock & Co.,	221	00	221	00				
Atlanta Fabric Co.,	168	75	168	75				
	22227	13	22227	13	10340	30	10340	30
PROOFS OF ACCURACY.								
	4668	53						
Cash Received,	2519	38	2519	38				
Cash Paid,	15039	22	15039	22				
Same reversed,								
Journal Footings,	22227	13	22227	13				

MONTHLY BALANCE SHEET.

Merchandise,	\$ 2793.05	
Freight,	39.51	
Salaries,	86.00	
Cash,	2149.15	
Profit and Loss,	6.36	
Expense,	269.28	
Horses and Wagons,	289.40	
Real Estate,	2000.00	
Office Furniture,	249.75	
S. Belding, Personal,	10.00	
J. Sanford, Personal,	25.00	
Bills Receivable,	289.78	
Accounts,	2133.02	
S. Belding, Stock,		2500.00
J. Sanford, Stock,		2500.00
Bills Payable,		3347.25
Accounts Payable,		1993.05
	\$10340.30	\$10340.30

With such a balance sheet the management can readily approximate the results of the business monthly. And with an exact inventory he can tell the exact condition.

A statement of Assets and Liabilities can now be taken from the balance sheet, as follows:

ASSETS.

Cash a/c	\$2149.15
Horses and Wagons a/c	289.40
Real Estate a/c	2000.00
Office Furniture a/c	249.75
S. Belding a/c	10.00
J. Sanford a/c	25.00
Bills Receivable a/c	289.78
Accounts Receivable	2133.02
Approximate Inventory, say	3300.00
Total Assets,	\$10446.10

LIABILITIES.

S. Belding Stock a/c	\$2500.00
J. Sanford " a/c	2500.00
Bills Payable a/c	3347.25
Accounts Payable	1993.05
Total Liabilities,	10340.30
Net Profits,	\$ 105.80

In making such a statement pay no attention to "Merchandise Account" as it stands, "Freight," "Salaries," Profit and Loss, or "Expense," as they are loss and gain accounts and cannot be considered as assets or liabilities.

To close the books at the end of the fiscal year, close "Merchandise" (without the inventory), "Freight," "Salaries," and "Expense," into Profit and Loss account, and rule up all except Profit and Loss account.

Debit "Merchandise" account with the Inventory and credit the same to "Profit and Loss." If Profit and Loss then has a credit balance it will show a net gain. If it has a debit balance it will show a net loss. In either case, transfer one-half of the difference to each of the Stock accounts, which will close Profit and Loss account.

Transfer the partners' personal accounts to their stock accounts; all of the loss and gain accounts are now closed except merchandise, which stands debited with the amount of the Inventory of Merchandise on hand.

All of these transfers should be made through the Journal, and entered separately and posted accordingly, so that the Profit and Loss account will show on its face each item of loss or gain.

SECOND PROCESS.

The following process of arranging the items of the dairy of transactions on pages 19 to 24, for convenience, in posting, is every way commendable.

The posting is all done from this one book, and the proofs of accuracy comprehensive and practical.

The first column is for the time sales to be posted to the debit of their respective accounts daily.

The other two columns are for cross-entries and cash transactions.

Every amount entered in the first and second columns, under the head of "Dr.", is to be posted to the debit side of its account upon the ledger; and every amount found in the third, or "Cr" column, is to be posted to the credit side of its account on the ledger.

The total footing of the "Time Sales" column is posted at the end of each month to the credit of "Merchandise."

The difference between the totals of the "Dr." and "Cr." columns is the amount of cash on hand.

The bank account on the ledger shows the amount in bank.

It will be seen that the "Ledger Pages" column is placed next to the names of the accounts, for convenience in posting, and as these pages are inserted from the index before posting, the necessity of referring to this index for posting each item is obviated.

As an indication that each item is posted, the use of a check mark ✓ as shown is preferable to that of using the ledger pages.

The check marks should be placed only on the one dividing line between the "Dr." and "Cr." columns, as shown, which presents a neat appearance and is easily followed.

The author has kept the books of a retail and wholesale business (with an established trade of \$200,000), in this way, and can confidently recommend it in every way as a safe and comprehensive method, applicable to any class of business.

Reversing the cash, i. e., entering the payments in the "Dr." and the receipts in the "Cr." columns, is done for the purpose of convenience in posting, and by treating the cash on hand as a debit, the result is not affected.

A ledger may be made from these items by anyone interested in the result, and which will correspond with the ledger as shown on pages 31 to 37.

JANUARY 189—

DATE.	L. P.	NAMES OF ACCOUNTS.		TIME SALES.		DR.		CR.	
Jan.	I	Samuel Belding,	By Mdse.					✓ 2409	50
	I	" "	" Cash					✓ 90	50
	I	Jay Sanford,	" Mdse.					✓ 1451	98
	I	" "	" 1 horse, wagon and harness					✓ 200	00
	I	" "	" Cash					✓ 848	02
	I	Merchandise,	To Sundries \$2409.50			3861	48	✓	
	I	Horses and Wagons	" Sanford			200	00	✓	
	2	Dickson & Sons' Bank,	" Deposit			900	00	✓	
	2	Office Fixtures,	" Safe			150	00	✓	
	2	" "	" Stove			45	00	✓	
	2	" "	" Desk, &c.			42	25	✓	
	2	Dickson & Sons,	By Check No. 1					✓ 150	00
	2	" " "	" " " 2					✓ 45	00
	2	" " "	" " " 3					✓ 42	25
	2	Expense,	To Paid for blank books in cy.			27	00	✓	
	3	Manning & Brown,	By Mdse 30 ds					✓ 209	00
	3	S. F. Defond & Co.,	" " 90 "					✓ 326	00
	3	A. B. Little & Son,	" " 20 "					✓ 126	00
	3	Hammond Mfg Co.,	" " 10 "					✓ 1416	28
	3	Merchandise,	To above purchases					✓	
	3	Expense,	" Signs, cartage, &c pd. in cy.			2077	28	✓	
	3	Merchandise,	By Cash Sales			12	26	✓ 55	68
	4	Albert T. Canfield,	To Mdse 30 ds	126	00			✓	
	4	Edward Schuman,	" " 30 "	13	48			✓	
	4	Edmund R. Gardner,	" " 30 "	26	91			✓	
	4	Frank K. Gunn,	" " 30 "	35	42			✓	
	4	Chas. C. Chadwick,	" " 30 "	18	96			✓	
	4	Arthur Conner,	" " 30 "	101	48			✓	
	4	Theodore Peck,	" " 30 "	14	21			✓	
	4	Freight,	" M. C. R. R. Co.			26	58	✓	
	4	Dickson & Sons,	By Check No. 4					✓ 26	58
	4	Manning & Brown,	To Overcharge in bill of 3rd			26	41	✓	
	4	Merchandise,	By " " "					✓ 26	41
	4	Dickson & Sons,	To Deposit			200	00	✓	
	4	Merchandise,	By Cash Sales					✓ 243	26
	5	Expense,	To Electric Lights			41	00	✓	
	5	Dickson & Sons,	By Check No. 5					✓ 41	00
	5	" "	To Deposit			250	00	✓	
	5	Merchandise,	By Cash Sales					✓ 198	64
	5	" "	To Cash Short				07	✓	
	5	Carrington & Co.,	" Mdse 60 ds	42	00			✓	
	5	Harry Crowell,	" " 60 "	89	40			✓	
	5	Early Banks,	" " 60 "	14	28			✓	
	5	Guy Miller,	" " 60 "	186	20			✓	
	5	Thomas Bury & Son,	" " 60 "	40	63			✓	
	5	Charles Churchill,	" " 60 "	25	44			✓	
		Forward,		734	41	7859	33	✓ 7906	10

JANUARY 189—

DATE.	L. P.	NAMES OF ACCOUNTS.		TIME SALES.		DR.		CR.	
			Forward,	734	41	7859	33	✓ 7906	10
Jan.	5	Dwyer Bros.,	To Mdse. 60 ds., S. B.	15	91			✓	
	5	Frank E. Briscoe,	" " 60 " "	13	62			✓	
	5	Addison Miller,	" " 60 " "	68	75			✓	
	5	Arthur Hayes,	" " 60 " "	126	84			✓	
	6	Freight,	To Cash			14	21	✓	
	6	Office Fixtures,	" " Car Truck			8	00	✓	
	6	Expense,	" " Paper, Twine, etc.			4	85	✓	
	6	Merchandise,	" " Purchases			43	21	✓	
	6	A. T. Canfield,	By N. Y. Draft					✓	122 22
	6	" "	" 3 0/10 Disct. for Cash					✓	3 78
	6	Merchandise,	To Disct.				78		
	6	Dickson & Sons,	By Check No. 6					✓	119 70
	6	A. B. Little & Son,	To N. Y. Draft			119	70	✓	
	6	" " "	" 5 0/10 Disct.			6	30	✓	
	6	Merchandise,	By Disct.					✓	6 30
	6	C. C. Chadwick,	To Mdse., 30 ds.	28	65			✓	
	6	T. Peck,	" " 30 "	43	61			✓	
	6	A. Conner,	" " 30 "	18	21			✓	
	6	A. T. Canfield,	" " 30 "	136	42			✓	
	6	Carrington & Co.,	" " 30 "	76	93			✓	
	6	Alger Platt,	" " 30 "	226	41			✓	
	6	Campbell Watson,	" " 30 "	39	47			✓	
	6	Samuel Hood,	" " 30 "	83	84			✓	
	6	Samuel B. McElroy,	" " 30 "	81	97			✓	
	6	Dickson & Sons,	" Deposit			270	00	✓	
	6	Merchandise,	By Cash Sales					✓	186 43
	6	" "	" " over					✓	26
	8	Expense,	To Paid P. O. Box Rent			2	50	✓	
	8	Office Fixtures,	" " Letter Press			4	50	✓	
	8	Dickson & Sons,	By Check No. 7					✓	125 00
	8	" " "	" " No. 8					✓	86 00
	8	Expense,	To Rent			125	00	✓	
	8	Salaries,	" Pay Roll			86	00	✓	
	8	S. F. Deford & Co.,	" Note 90 ds. from 3d inst.			326	00	✓	
	8	Bills Payable,	By S. F. Deford & Co.					✓	326 00
	8	Bills Receivable,	To H. McGrew bill Mdse 30 ds.			586	28	✓	
	8	Merchandise,	By Bills Receivable					✓	586 28
	8	A. T. Canfield,	To Mdse., 30 ds.	46	28			✓	
	8	S. B. McElroy,	" " 30 "	29	43			✓	
	8	C. C. Chadwick,	" " 30 "	63	42			✓	
	8	George D. Cooke,	" " 30 "	26	91			✓	
	8	F. K. Gunn,	" " 30 "	18	43			✓	
	8	Merchandise,	By Cash Sales					✓	152 40
	8	" "	" " over					✓	01
	9	Bills Receivable,	To A. Platt, 30 ds. from 6th			226	41	✓	
	9	A. Platt,	By same					✓	226 41
			Forward,	1879	51	9686	07	✓ 9846	89

JANUARY 189—

DATE.	L. P.	NAMES OF ACCOUNTS.	TIME SALES.		Dr.		Cr.	
		Forward,	1879	51	9686	07	✓ 9846	89
Jan.	9	Merchandise, To Sundry Purchases			1915	43	✓	
	9	Jones, Beverly & Co., By Mdse., Invoice 30 ds.					✓ 896	00
	9	Jos. Horne & Co., " " " 4 mos.					✓ 131	50
	9	Brisby, Dobbs & Co., " " " 90 ds.					✓ 498	18
	9	Morris, Heacock & Co., " " " 60 "					✓ 221	00
	9	Atlantic Fabric Co., " " " 60 "					✓ 168	75
	9	C. C. Chadwick, To Error in Extention, 4th inst.			1	00	✓	
	9	Merchandise, By same					✓ 1	00
	9	Jos. Horne & Co., To Bills Payable, 4 mos.			131	50	✓	
	9	Bills Payable, By Same					✓ 131	50
	9	Expense, To Paid Sundries—30c, 20c, \$1			1	50	✓	
	9	S. Belding, personal, To Cash			10	00	✓	
	9	J. Sanford, " " "			15	00	✓	
	9	Bills Payable, By Disct. Our Note, 30 ds.					✓ 1000	00
	9	Dickson & Sons, To Deposit of Avails			994	30	✓	
	9	Expense, " Disct.			5	70	✓	
	9	Merchandise, By Cash Sales					✓ 161	94
	9	Harold & Charles, To Mdse., 30 ds.	69	00			✓	
	9	Samuel Mansfield, " " 30 "	84	42			✓	
	9	Louis D. Hunt, " " 30 "	19	63			✓	
	9	Thomas G. Conner, " " 30 "	78	20			✓	
	9	Robert M. Abbott, " " 30 "	46	74			✓	
	9	Dickson & Sons, " Deposit			275	00	✓	
	10	Bills Receivable, By Platt's Note Discounted					✓ 226	41
	10	Dickson & Sons, To Avails deposited			226	00	✓	
	10	Expense, " Disct.				41	✓	
	10	C. C. Chadwick, By Note, 30 ds, from 4th.					✓ 17	96
	10	T. Peck, " " 30 " " "					✓ 14	21
	10	Bills Receivable, To C. C. Chadwick			17	96	✓	
	10	" " " T. Peck			14	21	✓	
	10	Hammond Mfg Co., " Check on account			1000	00	✓	
	10	Dickson & Sons, By Check No. 9					✓ 1000	00
	10	Expense, To Exchange			1	00	✓	
	10	J. Sanford, personal, " Cash			10	00	✓	
	10	Expense, " " Coal			12	00	✓	
	10	" " " Telephone			6	00	✓	
	10	A. Conner, By 30 day note					✓ 101	48
	10	Bills Receivable, To same			101	48	✓	
	10	E. Schuman, By Cash					✓ 12	93
	10	" " Disct. 30 ^d \$13.48					✓	40
	10	" " By Exchg.					✓	15
	10	Expense, To Exchg.				40	✓	
	10	Merchandise, " Disct.				15	✓	
	10	Expense, " Cash, "Charity"				40	✓	
	10	Dickson & Sons, " Deposit			15	00	✓	
	10	Merchandise, By Cash Sales			150	00	✓	
	10	E. R. Gardner, To Mdse., 30 ds.	41	00			✓	
	10	A. Conner, " " 30 "	61	19			✓	
		Forward,	2282	69	14590	11	✓ 14624	25

JANUARY 189—

DATE.	L. P.	NAMES OF ACCOUNTS.	TIME SALES.		DR.		CR.	
Jan.		Forward,	2282	69	14590	11	14624	25
10		A. Platt, To Mdse., 30 ds.	37	63				
10		C. Watson, " " 30 "	55	84				
10		Perry H. Davis, " " 30 "	16	43				
10		Carrington & Co., " " 30 "	46	91				
10		Geo. W. Arnold, Jr., " " 30 "	43	82				
11		M. Heacock & Co., " Note, 9th, 60 ds.			221	00		
11		Bills Payable, By same					221	00
11		Real Estate, To Purchase Check			500	00		
11		" " " Bills Pay. 3 notes, 6, 12, 18 mo			1500	00		
11		Dickson & Sons, By Check No. 10					500	00
11		Bills Payable, " Note, 6 mos.					500	00
11		" " " " 12 "					500	00
11		" " " " 18 "					500	00
11		Expense, To Cash, water tax, etc.			9	75		
11		F. Briscoe, By Cash in full,					6	81
11		" " " Allowance					6	81
11		Profit and Loss, To same			6	81		
11		Dickson & Sons, " Deposit			200	00		
11		" " " " Flynn's check			165	00		
11		" " " By Check No. 11					165	00
11		Merchandise, " Cash Sales					218	46
11		C. Churchill, To Mdse., 30 ds.	65	24				
11		C. Watson, " " 30 "	187	43				
11		F. K. Gunn, " " 30 "	18	62				
11		A. Platt, " " 30 "	178	91				
11		Peyton H. Taylor, " " 30 "	16	43				
11		Chas. C. Ruff, " " 30 "	98	75				
11		Edward N. Dowdall, " " 30 "	47	84				
12		Carrington & Co., By Note, 8th, 30 ds.					165	84
12		Bills Receivable, To same			165	84		
12		Expense, By Cash for stamps sold						10
12		Freight, " Cash refunded					1	28
12		Bills Receivable, " McGrew's Note Disctd.					586	28
12		" " " " Conner's " "					101	48
12		" " " " Carrington's "					165	84
12		Dickson & Sons, To Avails of same deposited			848	34		
12		Expense, " Disct. on same			5	26		
12		A. Hayes, By goods returned					18	96
12		Merchandise, To same			18	96		
12		Flynn Bros., " Check returned for bank			165	00		
12		Dickson & Sons, By Check No. 12 from same					165	00
12		T. Peck, To Note returned			14	21		
12		Bills Receivable, By same					14	21
12		T. Peck, " New Note, 5th. 30 ds.					57	82
12		Bills Receivable, To same.			57	82		
12		Harold & Charles, By acceptance, 9th, 30 ds.					69	00
12		Bills Receivable, To same			69	00		
		Forward,	3096	54	18537	10	18588	14

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DATE.	L. P.	NAMES OF ACCOUNTS.		TIME SALES.		DR.		CR.	
			Forward,	3096	54	18537	10	✓ 18588	14
Jan.	12	Atlantic Fabric Co.,	To 90 day acceptance from 9th			168	75	✓	
	12	Bills Payable,	By same					✓	168 75
								✓	
	13	Dickson & Sons,	By Check No. 13, for cash					✓	10 00
	13	Horses and Wagons,	To Crowell			89	40	✓	
	13	H. Crowell,	By Horse					✓	89 40
	13	C. Churchill,	" Cash on sales of produce					✓	45 00
	13	"	To Com. for selling "				45	✓	
	13	Profit and Loss,	By same					✓	45
	13	A. Miller,	" Cash collected					✓	20 00
	13	Flynn Bros. & Co.,	" " on acct.					✓	20 00
	13	" " "	" Demand Note					✓	145 00
	13	Bills Receivable,	To same			145	00	✓	
	13	Merchandise,	By Time Sales for the month	3096	54				
			Balance down			146	04		
						19086	74	✓ 19086	74
			Cash on hand					✓ 146	04

Proof of Accuracy.

Amount of former Trial Balance	-	-	-	0000 00	0000 00
Mdse. charged to customers and credited as a total to Mdse.,	3096 54			3096 54	
Amount of the posting column, less the balance	-		18940 70	19086 74	
Trial Balance must foot	-		22037 24	22183 28	
Cash on hand	-	-	146 04		
			22183 28	22183 28	

For closing entries see pages 39 and 40.

THIRD PROCESS.

The following process of arranging the items of the dairy of transactions on pages 19 and 24, for posting, places *all of the debits on the left hand side of the center column, and each item is to be posted to the debit side of the proper account on the ledger.*

All of the items on the right of the center are credits, to be posted to the credit side of the different accounts. Thus we post from a right to a right, and from a left to a left, with the single exceptions of reversing the totals of Cash and Merchandise, which being posted but once a month, makes posting easy, and the proofs of accuracy positive.

The central wide column is for the names of accounts and description of entries.

The Cash and Bank accounts are kept upon the ledger, and contains nothing but actual transactions.

The Check Marks are inserted merely as a guide, as there is no ledger accompanying this process, but a ledger may be made up from the items as given, with the same results as shown on pages 38 and 39, and after taking off the trial balance then close the representative accounts as shown on page 39, and rule up every account on the ledger and bring down balances when they occur, and then take off a trial balance of balances both for accuracy and as a basis for the proof of the next trial balance.

This process places everything pertaining to the business on the ledger where it belongs.

For convenience, the balance of cash on hand may be entered in red ink, but is not to be considered in the next month's proofs, as it will have its place in the cash account on the ledger.

Experience, in making investigations of the books of different kinds of business, shows that every book-keeper follows his own idea of arranging the details, and *very* frequently the book-keeper has to keep the books to suit the limited knowledge of the proprietor, who, knowing nothing of the process, cannot understand why the debits of one account should be posted to the credit side of the ledger, as in reversed cash books. This journal and cash book is arranged to meet such cases, as it is only necessary to remember that all amounts in the columns on the left hand side of the wide center column are debits, and are to be posted as such to the debit side of the accounts on the ledger; and all amounts to the right of the center column are credits, and must be posted accordingly. The only exceptions to this will be seen in the totals of the two Merchandise columns and the two Cash columns, which must be reversed in posting, and which will debit each account for what it receives, and credits it for what has gone out.

Dr.				JANUARY 189—				Cr.			
SUNDS.	MDSE. SALES.	CASH PAID.	L. P.	LEDGER ACCOUNTS.		CASH RECEIV'D.	MDSE. RECEIV'D.	SUNDS.			
				1ST.							
				Samuel Belding,	Stock Mdse.		✓ 2409	50			
				" "	" Cash	90	50	✓			
				Jay Sanford,	Stock Mdse.		✓ 1451	98			
				" "	" Horse & Wagon				200	00	
200	00		✓	" "	" Cash	848	02	✓			
				Horse and Wagon,							
				2ND.							
		900	00	✓	Dickson & Sons,	Deposited					
150	00		✓	Office Fixtures,	Safe						
45	00		✓	" "	Stove, etc.						
42	25		✓	" "	Desk, etc.						
				Dickson & Sons,	Check No. 1		✓		150	00	
				" "	" No. 2		✓		45	00	
				" "	" No. 3		✓		42	25	
		27	00	✓	Expense,	Books and Stationery					
				3RD.							
				Manning & Brown,	30 ds.		✓	209	00		
				S. F. Deford,	90 "		✓	326	00		
				A. B. Little & Co.,	20 "		✓	126	00		
				Hammond Mfg Co.,	10 "		✓	1416	28		
				Merchandise,	Cash Sales	55	68				
		12	26	✓	Expense,	Signs, &c.					
				4TH.							
	126	00	✓	Albert T. Canfield,	Mdse, 30 ds.						
	13	48	✓	Edward Schuman,	" 30 "						
	26	91	✓	Edmund R. Gardner,	" 30 "						
	35	42	✓	Frank K. Gunn,	" 30 "						
	18	96	✓	Charles C. Chadwick,	" 30 "						
	101	48	✓	Arthur Conner,	" 30 "						
	14	21	✓	Theodore Peck,	" 30 "						
26	58		✓	Freight,							
				Dickson & Sons,	Check No. 4		✓		26	58	
				Merchandise,	Cash Sales	243	26	✓			
		200	00	✓	Dickson & Sons,	Deposited					
	26	41	✓	Manning & Brown,	Overcharge						
				5TH.							
41	00		✓	Expense,	Electric Lights						
				Dickson & Sons,	Check No. 5		✓		41	00	
	42	00	✓	Carrington & Co.,	Mdse., 30 ds.						
	89	40	✓	Harry Crowell,	" 30 "						
	14	28	✓	Early Banks,	" 30 "						
	186	20	✓	Guy Miller,	" 30 "						
	40	63	✓	Thos. Bury & Son,	" 30 "						
	25	44	✓	Chas. Churchill,	" 30 "						
	15	91	✓	Dwyer Bros.,	" 30 "						
	13	62	✓	Frank E. Briscoe,	" 30 "						
504	83	790	35	✓	Forward,	1237	46	✓	5938	76	✓
		✓ 1139	26	✓					504	83	

Dr.

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Cr.

SUNDS.		MDSE. SALES.		CASH PAID.		L. P.	LEDGER ACCOUNTS.	CASH RECEIV'D.		MDSE. RECEIV'D.		SUNDS.	
504	83	790	35	1139	26		Forward,	1237	46	5938	76	504	83
							5TH.						
		68	75			✓	Addison Miller, Mdse., 30 days						
		126	84			✓	Arthur Hayes, " 30 "						
				250	00	✓	Merchandise, Cash Sales	198	64	✓			
					07	✓	Dickson & Sons, Deposited						
							Merchandise, Cash short						
				14	21	✓	6TH.						
				8	00	✓	Freight,						
				4	85	✓	Office Fixtures, Car truck						
				43	21	✓	Expense, Paper, &c						
							Merchandise, Cash Purchases						
				3	78	✓	A. T. Canfield, Cash	126	00	✓			
126	00					✓	Merchandise, Disct. Canfield						
							A. B. Little & Son, N. Y. Draft						
							Merchandise, Disct. Little			✓		6	30
							Dickson & Son, Check No. 6			✓		119	70
		28	65			✓	C. C. Chadwick, Mdse., 30 ds						
		43	61			✓	T. Peck, " 30 "						
		18	21			✓	A. Conner, " 30 " Feb. 1st.						
		136	42			✓	A. T. Canfield, " 30 "						
		76	93			✓	Carrington & Co., " 30 "						
		226	41			✓	Alger Platt, " 30 "						
		39	47			✓	Campbell Watson, " 30 "						
		83	84			✓	Samuel Hood, " 30 "						
		81	97			✓	Samuel B. McElroy, " 30 "						
							Merchandise, Cash Sales	186	43	✓			
							Merchandise, " over		26	✓			
				270	00	✓	Dickson & Sons, Deposited						
							8TH.						
125	00					✓	Expense, Rent						
86	00					✓	Salaries,						
							Dickson & Sons, Check No. 7			✓		125	00
							" " " No. 8			✓		86	00
				2	50	✓	Expense, P. O. Box rent						
				4	50	✓	Office Fixtures, Letter Press						
326	00					✓	S. F. Deford & Co., Note 3d 90 ds.						
							Bills Payable, DeFord & Co.			✓		326	00
							Merchandise, McGrew, 30 ds.			✓		586	28
586	28					✓	Bills Receivable, same						
		46	28			✓	A. T. Canfield, Mdse., 30 ds.						
		29	43			✓	S. B. McElroy, " 30 "						
		63	42			✓	C. C. Chadwick, " 30 "						
		26	91			✓	George D. Cooke, " 30 "						
		18	43			✓	F. K. Gunn, " 30 "						
							Merchandise, Cash Sales	152	40	✓			
							" " over		01	✓			
							9TH.						
226	41					✓	A. Platt, Note, 30 ds.					226	41
							Bills Receivable, Platt						
1980	52	✓1905	92	✓1740	38		Forward,	1901	20	✓5938	76	✓1980	52

Dr.				JANUARY 189—										Cr.			
SUNDS.		MDSE. SALES.		CASH PAID.		L. P.		LEDGER ACCOUNTS.				CASH RECEIV'D.		MDSE. RECEIV'D.		SUNDS.	
1980	52	✓1905	92	✓1740	38	✓		Forward,				1901	20	✓5938	76	✓1980	52
								9TH.									
		I	00			✓		C. C. Chadwick, Error in bill, 4th.									
								Jones, Beverly & Co., Invoice, 30 ds.						✓ 896	00		
								Jos. Horne & Co., Invoice, 4 mos.						✓ 131	50		
								Busby, Dobbs & Co., " 90 ds. Feb. 1						✓ 498	18		
								Morris Heacock & Co., " 60 "						✓ 221	00		
								Atlanta Fabric Co., " 60 "						✓ 168	75		
131	50					✓		Jos. Horne & Co., Note, 4 mos.									
								Bills Payable, Horne & Co.						✓		131	50
		69	00			✓		Harold & Charles, Mdse., 30 ds.									
		84	42			✓		Samuel Mansfield, " 30 "									
		19	63			✓		Louis D. Hunt, " 30 "									
		78	20			✓		Thomas G. Conner, " 30 "									
		46	74			✓		Robert M. Abbott, " 30 "									
				I	50	✓		Expense, Telegrams &c									
				10	00	✓		S. Belding, Personal cash									
				15	00	✓		J. Sanford, " "									
								Bills Payable, Our note 30 ds. disct.						✓		1000	00
994	30					✓		Dickson & Sons, Avails deposited									
5	70					✓		Expense, Disct. on note									
								Merchandise, Cash Sales				161	94	✓			
				275	00	✓		Dickson & Sons, Deposited									
								10TH.									
								Bills Receivable, Platt's note disctd.						✓		226	41
226	00					✓		Dickson & Sons, Avails do									
41						✓		Expense, Disct. on do									
								C. C. Chadwick, Note 30 ds. from 4th.						✓		17	96
								T. Peck, " 30 " " "						✓		14	21
17	96					✓		Bills Receivable, Chadwick									
14	21					✓		" " Peck									
1000	00					✓		Hammond Mfg Co., on acct.									
								Dickson & Sons, Check No. 9						✓		1000	00
				I	00	✓		Expense, Exchg. on N. Y. draft									
				12	00	✓		" Coal									
				6	00	✓		" Te ephone									
				10	00	✓		J. Sanford, Cash									
								A. Conner, Note 50 ds.						✓		101	48
101	48					✓		Bills Receivable, Comas note									
								E. Schuman, Cash				12	93	✓			
								" Disct.				40	✓				
								" Exchg.				15	✓				
				40	✓			Merchandise, Schuman, disct.									
				15	✓			Expense, " exchg.									
				15	00	✓		Expense, Old Lady's Home									
								Merchandise, Cash Sales				193	95	✓			
				150	00	✓		Dickson & Sons, Deposited									
		41	00			✓		E. R. Gardner, Mdse., 30 ds.									
		64	19			✓		A Conner, " 30 " fr Feb. 10									
4472	08	✓2310	10	✓2236	43			Forward				2270	57	✓7854	19	✓4472	08

Dr.		JANUARY 189—										Cr.	
SUNDS.		MDSE. SALES.		CASH PAID.		L. P.	LEDGER ACCOUNTS.	CASH RECEIV'D.		MDSE. RECEIV'D.		SUNDS.	
4472	08	✓2310	10	✓2236	43	✓	Forward,	2270	57	✓7854	19	✓4472	08
							10TH.						
		37	63			✓	A Platt, Mdse., 30 ds.						
		55	84			✓	C. Watson, " 30 "						
		16	43			✓	Perry H. Davis, " 30 "						
		46	91			✓	Carrington & Co., " 30 "						
		43	82			✓	Geo. W. Arnold, Jr., " 30 "						
							11TH.						
221	00					✓	M. Heacock & Co., Note, 9th, 60 ds.						
							Bills Payable, Heacock & Co.,			✓		221	00
500	00					✓	Real Estate bought, \$2,000 1st payment.						
							Dickson & Sons, Check No. 10.			✓		500	00
1500	00					✓	Real Estate, 3 Notes, 6, 12, 18 mos.						
							Bills Payable, 1 Note, 6 mos.			✓		500	00
							" " 1 " 12 "			✓		500	00
							" " 1 " 18 "			✓		500	00
				4	75	✓	Expense, Repairs wagon;						
				5	00	✓	horse feed, &c						
							" Water tax						
							F. Brisco, Profit and Loss			✓		6	81
6	81					✓	Profit and Loss, Brisco						
							F. Brisco, Cash in full	6	81	✓			
		65	24			✓	C. Churchill, Mdse., 30 ds.						
		187	43			✓	C. Watson, " 30 "						
		18	62			✓	F. K. Gunn, " 30 "						
		178	91			✓	A. Platt, " 30 "						
		16	43			✓	Peyton H. Taylor, " 30 "						
		98	75			✓	Chas. C. Ruff, " 30 "						
		47	84			✓	Ed. N. Dowdall, " 30 "						
				200	00	✓	Dickson & Sons, Deposited						
							Merchandise, Cash Sales	218	46	✓			
165	00					✓	Dickson & Sons, Deposited Flynn's ck						
							" " Check No. 11			✓		165	00
							12TH.						
							Carrington & Co., Note, 8th, 30 ds.			✓		165	84
165	84					✓	Bills Receivable, Carrington & Co.						
							Expense, Stamps sold		10	✓			
							Freight, Overcharge refunded	1	28	✓			
							Bills Receivable, Dsctd McGrew's note			✓		586	28
							" " " A. Conner's "			✓		101	48
							" " " Carrington's "			✓		165	84
848	34					✓	Dickson & Sons, Avails of same						
5	26					✓	Expense, Disct. "						
							A. Hayes, Goods returned			✓	18	96	
165	00					✓	Flynn Bros. & Co., Check taken up						
							Dickson & Sons, Flynn's check retrn'd			✓		165	00
							Theo. Peck, Note of 4th returned						
14	21					✓	Bills Receivable, same			✓		14	21
							Theo. Peck, New note, 5th, 30 ds.			✓		57	82
8063	54	✓3123	95	✓2446	18	✓	Forward,	2497	22	✓7873	15	✓8121	36

Dr.						JANUARY 189—										Cr.					
SUNDS.		MDSE. SALES.		CASH RECEIV'D.		L. P.	LEDGER ACCOUNTS.				CASH RECEIV'D.		MDSE. RECEIV'D.		SUNDS.						
8063	54	✓3123	95	✓2446	18	✓	Forward, 12TH.				2497	22	✓7873	15	✓8121	36					
57	82					✓	Bills Receivable,	T. Peck, 5th, 30 ds.													
69	00					✓	Harold & Charles,	Acceptance, 30 "				✓			69	00					
168	75					✓	Bills Receivable,	same													
						✓	Atlanta Fabric Co.,	Draft, 60 ds., 9th, accepted													
							Bills Payable,	same				✓			168	75					
							13TH.														
							Dickson & Sons,	Check No. 12, cy.		10	00	✓									
							H. Crowell,	Sold us a horse				✓			89	40					
89	40					✓	Horse & Wagon,	Crowell													
							C. Churchill,	Cash com. sales		45	00	✓									
	45					✓	"	Com. 1 ⁰⁰ / ₁₀													
							Profit and Loss,	" "				✓				45					
							A. Miller,	Cash on collateral		20	00	✓									
							Flynn Bros. & Co.,	Cash on acct.		20	00	✓									
							" " "	Demand Note				✓			145	00					
145	00					✓	Bills Receivable,	Flynn Bros. & Co.													
2592	22					✓	Cash Rects. & Payts.,	Rects for month													
							" " "	Payments,				✓			2446	18					
7873	15					✓	Merchandise,	Purchases													
							"	Sales				✓			3123	95					
19059	33	3123	95	2446	18						2592	22	7873	15	14164	09					
							Cash on hand				146	04									

Proof of Trial Balance.

Amount of previous Trial Balance	-	-	0000 00	0000 00
" " Cash columns	-	-	2446 18	2592 22
" " Mdse, "	-	-	3123 95	7873 15
" " Sunds. "	-	-	19059 33	14164 09
Trial Balance must foot	-	-	24629 46	24629 46

Bring down the balance of the cash on hand.

FOURTH PROCESS.

Showing the same items arranged in three double columns.

All amounts in the left or debit side of each double column are to be posted to the left or debit side of its account on the ledger and the amounts in the right or credit side of each double column are to be posted to the credit of its account on the ledger.

At the end of the month the totals of the Cash and Merchandise columns are reversed and carried into the "Sundries" columns, to be posted to their respective accounts.

On footing the totals of the debit side of the Cash, Merchandise and Sundries columns, it will be found the same as the total of the credit sides which is in itself a proof of accuracy.

The difference between the two sides of the Cash column will be the cash on hand, and may be brought down for the next month (but not to be used as proofs or to be considered as the next month's receipts in posting).

If a ledger is made up from this process it will agree with the previous ledger in final results.

The words "To" and "By" are omitted because the figures in the columns indicate by location that they are debits or credits. It is admissible to use the words To and By if desired, but is not considered necessary.

JANUARY 189—

DATE.	L. P.	LEDGER ACCOUNTS.	CASH.		MDSE.		SUNDS.	
			Paid.	Rects.	Time Sales.	Purchss.	Dr.	Cr.
Jan.	1	Samuel Belding, Stock				2409 50	✓	
	1	" " "		90 50			✓	
	1	Jay Sanford, "				1451 98	✓	
	1	" " "		848 02			✓	
	1	" " "					✓	200 00
	1	Horse & Wagon, Sanford					200 00	✓
	2	Dickson & Sons, Bk, deposited	900 00				✓	
	2	Office Fixtures, Safe					150 00	✓
	2	" " Stoves, &c.					45 00	✓
	2	" " Desk, "					42 25	✓
	2	Dickson & Sons, Check No. 1					✓	150 00
	2	" " " " No. 2					✓	45 00
	2	" " " " No. 3					✓	42 25
	2	Expense, Books and stationery	27 00				✓	
	3	Manning & Brown, Inv. 30 ds.				209 00	✓	
	3	S. F. Deford & Co., " 90 "				326 00	✓	
	3	A. B. Little & Son, " 20 "				126 00	✓	
	3	Hammond Mfg Co., " 10 "				1416 28	✓	
	3	Expense, Signs, &c.	12 26				✓	
	3	Merchandise, Cash Sales		55 58			✓	
	4	Albert T. Canfield, Mdse., 30 ds.			126 00		✓	
	4	Edward Schuman, " 30 "			13 48		✓	
	4	Edmund R. Gardner, " 30 "			26 91		✓	
	4	Frank K. Gunn, " 30 "			35 42		✓	
	4	Chas. C. Chadwick, " 30 "			18 96		✓	
	4	Arthur Conner, " 30 "			101 48		✓	
	4	Theodore Peck, " 30 "			14 21		✓	
	4	Freight, Boston					26 58	✓
	4	Dickson & Sons, Check No. 4					✓	26 58
	4	Merchandise, Cash Sales		243 26			✓	
	4	Dickson & Sons, Deposited	200 00				✓	
	4	Manning & Brown, Overcharge, 3d			26 41		✓	
	5	Expense, Electric lights					41 00	✓
	5	Dickson & Sons, Check No. 5					✓	41 00
	5	Carrington & Co., Mdse., 30 ds.			42 00		✓	
	5	Harry Crowell, " 30 "			89 40		✓	
	5	Early Banks, " 30 "			14 28		✓	
	5	Guy Miller, " 30 "			186 20		✓	
	5	Theo. Bury & Son, " 30 "			40 63		✓	
	5	Chas. Churchill, " 30 "			25 44		✓	
	5	Dwyer Bros., " 30 "			15 91		✓	
	5	Frank E. Briscoe, " 30 "			13 62		✓	
	5	Addison Miller, " 30 "			68 75		✓	
	5	Arthur Hayes, " 30 "			126 84		✓	
	5	Dickson & Sons, Deposited	250 00				✓	
	5	Merchandise, Cash Sales		198 64			✓	
	5	" " Short	07				✓	
		Forward,	1389 33	1436 10	985 94	5938 76	504 83	504 83

JANUARY 189—

DATE.	L. P.	LEDGER ACCOUNTS.		CASH.		MDSE.		SUNDS.	
				Paid.	Rects.	Time Sales.	Purchss	Dr.	Cr.
		Forward,		1389 33	1436 10	985 94	5938 76	504 83	504 83
Jan.	6	Freight,	From New York, cy.	14 21				✓	
	6	Office fixtures,	Car truck, cy.	8 00				✓	
	6	Expense,	Paper, &c., "	4 85				✓	
	6	Merchandise,	Purchases	43 21				✓	
	6	A. T. Canfield,	By Cash		122 22			✓	
	6	" "	" Disc't.				3 78	✓	
	6	A. B. Little & Son.	Remitted draft					126 00	✓
	6	Merchandise,	Little & Son, disc't.						6 30
	6	Dickson & Sons,	Check No. 6					✓	119 70
	6	C. C. Chadwick,	Mdse., 30 ds.			28 65		✓	
	6	T. Peck,	" 30 "			43 61		✓	
	6	A. Conner,	" 30 " from Feb. 1			18 21		✓	
	6	A. T. Canfield,	" 30 "			136 42		✓	
	6	Carrington & Co.,	" 30 "			76 93		✓	
	6	Alger Platt,	" 30 "			226 41		✓	
	6	Campbell Watson,	" 30 "			39 47		✓	
	6	Samuel Hood,	" 30 "			83 84		✓	
	6	Samuel B. McElroy,	" 30 "			81 97		✓	
	6	Merchandise,	Cash Sales		186 43			✓	
	6	" "	" over					✓	
	6	Dickson & Sons,	" deposited	27 00				✓	
	8	Expense,	Rent, 1 month					125 00	✓
	8	Salaries,	Pay roll					86 00	✓
	8	Dickson & Sons,	Check No. 7					✓	125 00
	8	" "	" No. 8					✓	86 00
	8	Expense,	P. O. Box rent, cy.	2 50				✓	
	8	Office fixtures,	Letter press "	4 50				✓	
	8	S. F. Deford & Co.,	Note, 3d, 90 ds.					326 00	✓
	8	Bills Payable,	Deford					✓	326 00
	8	Bills Receivable,	H. McGrew, 30 ds.					586 28	✓
	8	Merchandise,	same					✓	586 28
	8	A. T. Canfield,	Mdse., 30 ds.			46 28		✓	
	8	S. B. McElroy,	" 30 "			29 43		✓	
	8	C. C. Chadwick,	" 30 "			63 42		✓	
	8	Geo. D. Cooke,	" 30 "			26 91		✓	
	8	F. K. Gunn,	" 30 "			18 43		✓	
	8	Merchandise,	Cash Sales		152 40			✓	
	8	" "	" over		01			✓	
	9	A. Platt,	Note, 30 ds.					✓	226 41
	9	Bills Receivable,	Platt					226 41	✓
	9	C. C. Chadwick,	Error bill of 6th.			1 00		✓	
	9	Jones, Beverly & Co.,	Invoice, 30 ds.				896 00	✓	
	9	Jos. Horne & Co.,	" 4 mos.				131 50	✓	
	9	Buzby, Dobbs & Co.,	" 90 ds., Feb. 1				498 18	✓	
	9	Morris Heacock & Co.,	" 60 "				221 00	✓	
	9	Atlanta Fabric Co.,	" 60 "				168 75	✓	
	9	Jos. Horne & Co.,	Note, 4 mos.					131 50	✓
	9	Bills Payable,	Horne & Co.					✓	131 50
		Forward,		1736 60	1897 42	1906 92	7857 97	2112 02	2112 02

JANUARY 189—

DATE.	L. P.	LEDGER ACCOUNTS.	CASH.		MDSE.		SUNDS.	
			Paid.	Recls.	Time Sales	Purchss	Dr.	Cr.
		Forward,	1736 60	1897 42	1906 92	7857 97	2112 02	2112 02
Jan.	9	Harold & Charles, Mdse., 30 ds.			69 00		✓	
	9	Samuel Mansfield, " 30 "			84 42		✓	
	9	Louis D. Hunt, " 30 "			19 63		✓	
	9	Thos. G. Conner, " 30 "			78 20		✓	
	9	Robt. M. Abbot, " 30 "			46 74		✓	
	9	Expense, Telegrams, &c., cy.	1 50				✓	
	9	S. Belding, Personal cy.	10 00				✓	
	9	Jay Sanford, " "	15 00				✓	
	9	Bills Payable, Our note, 30 ds., disctd					✓	1000 00
	9	Expense Discount on same					5 70	✓
	9	Dickson & Sons, Avails					994 30	✓
	9	" " Cash deposited	275 00				✓	
	9	Merchandise, Cash Sales		161 94			✓	
	10	Bills Receivable, Platt's note disctd.					✓	226 41
	10	Dickson & Sons, Avails of same					226 00	✓
	10	Expense, Disct. same					41	✓
	10	C. C. Chadwick, Note, 4th, 30 ds.					✓	17 96
	10	T. Peck, " 4th, 30 "					✓	14 21
	10	Bills Receivable, Chadwick					17 96	✓
	10	" " Peck					14 21	✓
	10	Hammond Mfg Co., Draft on acct.					1000 00	✓
	10	Dickson & Sons, Check No. 9					✓	1000 00
	10	Expense, Exchange, cy.	1 00				✓	
	10	" Coal, cy.	12 00				✓	
	10	" Telephone, cy.	6 00				✓	
	10	J. Sanford, Personal cy.	10 00				✓	
	10	A. Conner, Note, 50 ds.					✓	101 48
	10	Bills Receivable, Conner					101 48	✓
	10	E. Schuman, Cash		12 93			✓	
	10	" Disct.					✓	40
	10	" Exchg.					✓	15
	10	Merchandise, Disct.					40	✓
	10	Expense, Exchg.					15	✓
	10	" Old Lady's Home, cy.	15 00				✓	
	10	Merchandise, Cash Sales		193 95			✓	
	10	Dickson & Sons, " deposited	150 00				✓	
	10	E. R. Gardner, Mdse., 30 ds.			41 00		✓	
	10	A. Conner, " 30 " fr Feb. 10			64 19		✓	
	10	A. Platt, " 30 "			37 63		✓	
	10	C. Watson, " 30 "			55 84		✓	
	10	Perry H. Davis, " 30 "			16 43		✓	
	10	Carrington & Co., " 30 "			46 91		✓	
	10	Geo. W. Arnold, Jr., " 30 "			43 82		✓	
	11	M. Heacock & Co., Note, 9th, 60 ds.					221 00	✓
	11	Bills Payable, M. Heacock & Co.,					✓	221 00
	11	Real Estate, \$2,000 1st payment					500 00	✓
	11	Dickson & Sons, Check No. 10					✓	500 00
		Forward,	2232 10	2266 24	2510 73	7857 97	5193 63	5193 63

JANUARY 189—

DATE.	L. P.	LEDGER ACCOUNTS.	CASH.		MDSE.		SUNDS.	
			Paid.	Rects.	Time Sales	Purchss	Dr.	Cr.
		Forward,	2232 10	2266 24	2510 73	7857 97	5193 63	✓ 5193 63
Jan.	11	Real Estate, Bills Payable					1500 00	✓
	11	Bills Payable, 1 note, 6 mos.						✓ 500 00
	11	" " 1 " 12 "						✓ 500 00
	11	" " 1 " 18 "						✓ 500 00
	11	Expense, Horse, Feed, &c., cy.	475					✓
	11	" Water tax, cy.	5 00					✓
	11	F. Briscoe, Allowance						✓ 681
	11	" Cash in full		681				✓
	11	Profit and Loss, Briscoe					681	✓
	11	C. Churchill, Mdse., 30 ds.			65 24			✓
	11	C. Watson, " 30 "			187 43			✓
	11	F. K. Gunn, " 30 "			18 62			✓
	11	A. Platt, " 30 "			178 91			✓
	11	Peyton H. Taylor, " 30 "			16 43			✓
	11	Chas. C. Ruff, " 30 "			98 75			✓
	11	Edward N. Dowdall, " 30 "			47 84			✓
	11	Dickson & Sons, Cash deposited	200 00					✓
	11	Merchandise, Cash Sales		218 46				✓
	11	Dickson & Sons, Check No. 11						✓ 165 00
	11	" " Flynn's check deposit'd					165 00	✓
	12	Carrington & Co., Note, 8th, 30 ds.						✓ 165 84
	12	Bills Receivable, Carrington & Co.					165 84	✓
	12	Expense, Sold stamps, cy.		10				✓
	12	Freight, Overcharge refunded to us in cy.		1 28				✓
	12	Bills Receivable, McGrew's note disctd.						✓ 586 28
	12	" " Conner's " "						✓ 101 48
	12	" " Carrington's " "						✓ 165 84
	12	Dickson & Sons, Avails deposited					848 34	✓
	12	Expense, Discount on same					5 26	✓
	12	A. Hayes, Goods returned						✓ 18 96
	12	Merchandise, same					18 96	✓
	12	Flynn Bros., Check returned to us from bank; no funds					165 00	✓
	12	Dickson & Son's, Check No. 12						✓ 165 00
	12	T. Peck, Note of 4th returned					14 21	✓
	12	Bills Receivable, same						✓ 14 21
	12	T. Peck, New note, 5th, 30 ds.						✓ 57 82
	12	Bills Receivable, Peck					57 82	✓
	12	Harold & Charles accepts our draft, 9th, 30 ds.						✓ 69 00
	12	Bills Receivable, same					69 00	✓
	12	Atlanta Fabric Co. drew on us 9th, 60 ds., accepted					168 75	✓
	12	Bills Payable, same						✓ 168 75
	13	Dickson & Sons, Check No. 12, cy.		10 00				✓
		Forward,	2441 85	2502 89	3123 95	7857 97	8378 62	✓ 8378 62

JANUARY 189—

DATE.	L. P.	LEDGER ACCOUNTS.	CASH.		MDSE.		SUNDS.	
			Paid.	Rects.	Time Sales	Purchss	Dr.	Cr.
		Forward.	2441 85	2502 89	3123 95	7857 97	8378 62	8378 62
Jan. 13		Horse & Wagon, Bought a horse					89 40	✓
13		H. Crowell, Horse					✓	89 40
13		C. Churchill, Cash—butter sold		45 00			✓	
13		" Com. on same					45	✓
13		Profit and Loss, " "					✓	45
13		A. Miller, Cash on Collateral		20 00			✓	
13		Flynn Bros., Cash on acct.		20 00			✓	
13		" " Demand note					✓	145 00
13		Bills Receivable, Flynn Bros.					145 00	✓
31		Cash Rects. and Payts., To Rects. for the mo.					2587 89	✓
31		" " " " By Payts, " " "					✓	2441 85
31		Merchandise, To Purchases " "					7857 97	✓
31		" By Sales " "					✓	3123 95
			2441 85	2587 89	3123 95	7857 97	19059 33	✓14179 27
		Cash on hand,		146 04				

Proof of Trial Balance.

Amount of the previous Trial Balance	-	-	-	0000 00	0000 00
" " Cash Columns for the month	-	-	-	2441 85	2587 89
" " Mdse. " " " "	-	-	-	3123 95	7857 97
" " Sunds. " " " "	-	-	-	19059 33	14179 27
The Trial Balance must foot				- 24625 13	24625 13

We have no further use for the totals of the above columns, and nothing is to be brought down except the cash on hand.

FIFTH PROCESS.

Arranged for condensing the business into compact form for posting.

It is impossible to rule books suitable for all classes and conditions of business, but this process is given as suggestive of additional columns, different headings and such alterations as may be desirable.

Cash, Bank, Merchandise, Expenses, Freight and Salaries will contain the items as they occur and the totals posted monthly.

The counter entries of the above accounts are retained in the first columns (debits and credits) for daily posting.

The "Daily Cash and Bank Balances" column is inserted for the purpose of daily references and do not form a part of the volume of the ledger.

Cash and Mdse. are reversed in this case because the items in the "Amts. to be posted" columns places them for posting from the left hand column to a left and from the right to a right so that posting will be an easy matter.

At the end of the month totals of all of the columns are carried to the "Amts. to be posted" column and posted from there to their respective accounts on the ledger, and the Cash, Bank and Mdse. accounts on the ledger will show nothing but what they are composed of.

The differences between the sides of Cash and Bank columns are to be brought down for the next month, but the totals of all other columns are of no further use.

As in other illustrations the dates, names, ledger pages and amounts to be posted are placed so close together as to prevent mistakes in posting.

To make the annual settlement close all of the representative accounts through the "Amts. to be posted" columns and post to the ledger direct.

The totals of the "Amts. to be posted" column added to the total of the former trial balance will constitute the amount the new trial balance must foot, and is a simple and positive proof of accuracy. If one side agrees with the proof, the error is evidently located on the opposite side, and one-half of the labor of finding the error is thus overcome. If both sides are wrong the exact amount of the error on either side is ascertained and more easily found. If an error of the same amount on both sides occur this process of proof will show it.

JANUARY 189—

DATE.	LEDGER ACCOUNTS,	WHAT FOR.	L.P.	AMOUNTS TO BE POSTED.		CASH.		DAILY CASH & BK. BAL.		BANK.		MERCHANDISE.		EXPENSES PAID.	FREIGHT PAID.	SALARIES PAID.
				Dr.	Cr.	Recd.	Paid.	Dr.	Dr.	Deposits.	Checks.	Purch's.	Sales.	Dr.	Dr.	Dr.
Jan. 1	Samuel Belding, Stock,	Mdse. inventory		✓ 2109 50								2409 50				
1	" "	Cash		✓ 90 50		90 50										
1	Jay Sanford,	Mdse. inventory		✓ 1451 98								1451 98				
1	" "	Cash		✓ 848 02		848 02										
1	" "	Horse and Wagon		✓ 200 00												
1	Horses and Wagons,	Sanford		200 00 ✓												
2	" "	Safe, check		150 00 ✓				9 38 52			150 00					
2	" "	Stove, &c, "		45 00 ✓							45 00					
2	" "	Desk, &c, "		42 25 ✓							42 25					
2	" "	Deposited cash,								900 00						
2	Books and Sty., cash															
3	By Mdse., 30 ds.			✓ 209 00				900 00				209 00		27 00		
3	" " 90 "			✓ 326 00				11 52				326 00				
3	" " 30 "			✓ 126 00				9 11 52				126 00				
3	Hammond Mfg Co.,			✓ 1416 28								1416 28				
3	" " 10 "	Cash Sales				55 68							55 68			
3	Cash—Signs, &c															
4	A. T. Canfield,	To Mdse., 30 ds.		126 00 ✓				54 94					126 00	12 26		
4	E. Schuman,	" " 30 "		13 48 ✓				7 17 69					13 48			
4	E. R. Gardner,	" " 30 "		26 91 ✓									26 91			
4	F. K. Gunn,	" " 30 "		35 42 ✓									35 42			
4	C. C. Chadwick,	" " 30 "		18 96 ✓									18 96			
4	A. Conner,	" " 30 "		101 48 ✓									101 48			
4	Theo. Peck,	" " 30 "		14 21 ✓									14 21			
4	" "	Paid freight, check														
4	Mdse., Cash Sales.					243 26					243 58				26 58	
4	Cash deposited															
4	To Mdse., overcharge			26 41 ✓			200 00	83 61 17		200 00			243 26			
4	Electric Lights, check							9 8 20					26 41			
5	To Mdse., 30 ds.			42 00 ✓				93 44 7			41 00		42 00	41 00		
5	Harry Crowell,	" " 30 "		89 40 ✓									89 40			
5	" "															
5	Forward,			938 52	7077 28	1237 46	1139 26			1100 00	304 83	5938 76	793 21	80 26		26 58

JANUARY 189—

DATE.	LEDGER ACCOUNTS.	WHAT FOR.	L. P.	AMOUNTS TO BE POSTED.		CASH.		DAILY CASH & Bk. BAL'S		BANK.		MERCHANDISE.		EXPENSES PAID.		FREIGHT PAID.		SALARIES PAID.	
				DR.	CR.	Rec'd.	Paid.	DR.	CR.	Deposits	Checks.	Purch's	Sales.	DR.	CR.	DR.	CR.	DR.	CR.
Jan.	5 Early Banks,	To Mdse., 30 ds.		938 52 ✓	7077 28	1237 46	1135 26			1100 00	304 83	5938 76	793 21	80 26		26 58			
5	Guy Miller,	" " 30 "		14 28 ✓									14 28						
5	Thomas Bury & Son,	" " 30 "		186 20 ✓									186 20						
5	Charles Churchill,	" " 30 "		40 63 ✓									40 63						
5	Dwyer Bros.,	" " 30 "		25 44 ✓									25 44						
5	Frank E. Briscoe,	" " 30 "		15 91 ✓									15 91						
5	Addison Miller,	" " 30 "		13 62 ✓									13 62						
5	A. Hayes,	" " 30 "		68 75 ✓									68 75						
5		" " 30 "		126 84 ✓									126 84						
5		Mdse., Cash Sales				198 64				250 00		07							
5		Cash deposited																	
5		" short																	
5		" paid freight																	
6		" " car truck		8 00 ✓															
6	Office Fixtures,	" " wrapping paper																	
6		" " Mdse. bought																	
6		By Cash and discount																	
6		Mdse., disc't. A. T. C.																	
6	A. T. Canfield,	To N. Y. Draft				126 00													
6		Merchandise																	
6	A. B. Little & Son,	" " from Feb. 1		126 00 ✓															
6	C. C. Chadwick,	" " "		28 65 ✓															
6	T. Peck,	" " "		43 61 ✓															
6	A. Conner,	" " "		18 21 ✓															
6	A. T. Canfield,	" " "		136 42 ✓															
6	Canington & Co.,	" " "		76 93 ✓															
6	A. Platt,	" " "		226 41 ✓															
6	Campbell Watson,	" " "		39 47 ✓															
6	Samuel Hood,	" " "		83 84 ✓															
6	Samuel B. McElroy,	" " "		81 97 ✓															
6		Cash Sales,				186 43													
6		" over																	
6		" deposited				270 00													
6		Rent, 1 month, check								270 00									
8		Salaries																	
8		P. O. Box rent, cy.																	
8		Letter press, "		4 50															
8		Note, 3d, 30 ds,		326 00															
8	Office Fixtures,																		
8	S. F. Deford & Co.,																		
		Forward,		2623 20 ✓	7203 28	1748 79	1740 38			1620 00	635 53	5985 82	2412 02	212 61		40 79		86 00	

JANUARY 189—

DATE.	LEDGER ACCOUNTS.	WHAT FOR.	L. P.	AMOUNTS TO BE POSTED.		CASH.		DAILY CASH & Bk. BAL'S	BANK.		MERCHANDISE.		EXPENSES PAID.	FREIGHT PAID.		SALARIES PAID.
				Dr.	Cr.	Rec'd.	Paid.		Deposits.	Checks.	Purch's.	Sales.		Dr.	Dr.	
Jan. 8	Bills Payable,	Forward,		2623 20	✓ 7203 28	1748 79	1740 38		1620 00	635 53	598 82	2412 02				
8	Bills Receivable,	Deford note, 3d, 30 ds.			✓ 326 00											
8		H. McGrew's, note, 30 ds., for Mdse.		586 28	✓											
8	A. T. Canfield,	Mdse., S. B. I, 40		4628	✓							586 28				
8	S. B. McElroy,	" " 41		2943	✓											
8	C. C. Chadwick,	" " 43		6342	✓											
8	George D. Cooke,	" " 43		2691	✓											
8	F. K. Gunn,	" " 44		1843	✓											
8		Cash Sales				152 40		984 47				184 47				
8		" over						152 40				152 40				
9	A. Platt,	Note, 30 ds.		226 41	✓			1145 28								
9	Bills Receivable,	Platt's note		1 00												
9	C. C. Chadwick,	Error in bill of 4th														
9	Jones, Beverly & Co.,	Mdse., 30 ds.			✓ 896 00											
9	Jos. Horne & Co.,	" 4 mos.			✓ 131 50											
9	Buzby, Dobbs & Co.,	" 90 ds., from Feb. 1			✓ 498 18											
9	Morris Heacock & Co.,	" 60 "			✓ 221 00											
9	Atlanta Fabric Co.,	" 60 "			✓ 168 75											
9	Jos. Horne & Co.,	Note, 4 mos.		131 50	✓						1915 43					
9	Bills Payable,	Horne & Co., 4 mos.			✓ 131 50											
9	Harold & Charles,	Mdse., S. B. I, 45		6900	✓											
9	Samuel Mansfield,	" " 46		8442	✓											
9	Louis D. Hunt,	" " 48		1963	✓											
9	Thomas G. Conner,	" " 49		7820	✓											
9	Robt. M. Abbot,	" " 50		4674	✓							297 99				
9		Paid telegrams, cy.														
9		Cash		1000	✓											
9	S. Belding, personal,	"		1500	✓											
9	J. Sanford,	"			✓ 1000 00				984 30							
9	Bills Payable,	Our note, 30 ds., dis.							275 00							
9		Cash deposited														
9		" sales														
9		Platt's note, dis.			✓ 226 41											
10	C. C. Chadwick,	Note, 4th, 30 ds.			✓ 1796											
10	Bills Receivable,	Chadwick's note		1796	✓											
10	T. Peck,	Note, 4th, 30 ds.			✓ 14 21											
10	Bills Receivable,	Peck's note		14 21	✓											
		Forward,		4108 02	✓ 11066 29	2063 14	2041 88		3115 30	635 53	7901 25	3796 11			40 79	86 00

JANUARY 189—

DATE.	J	R ACCOUNTS	WHAT FOR.	L. F.	AMOUNTS TO BE POSTED.		CASH.		DAILY CASH & BK. BAL.	BANK		MDSE.		EX-PENSES PAID.	FREIGHT PAID.	SALARIES PAID.
					Dr.	Cr.	Rec'd.	Paid.		Deposits	Checks.	Purch's	SALES.	Dr.	Dr.	Dr.
Jan.	10	Hammond Mfg Co.,	Forward,		41802	1106130	2063 14	204 88		3115 30	635 53	7901 25	3796 11	220 22	40 79	86 00
	10		Paid on acct.		1000 00	✓		100			1000 00					
	10		Exchange, cy.					1200								
	10		Coal, cy.					600								
	10		Telephone, cy.					1000						19 00		
	10	J. Sanford, personal,	Cash, cy.		1000 00	✓										
	10	A. Conner,	Note, 50 ds.		101 48	✓										
	10	Bills Receivable,	Conner's note		✓	10 48										
	10	E. Schuman,	Cash		✓	12 93	12 93									
	10	"	Discount.		✓	40										
	10	"	Exchange		✓	15										
	10		Old Lady's Home									40				
	10		Cash Sales,													
	10		" deposited				193 92			150 00						
	10	E R Gardner,	Mdse.		41 00	✓										
	10	A. Conner,	" 30 ds., from Feb. 10th		64 19	✓										
	10	A. Platt,	"		37 63	✓										
	10	C. Watson,	"		55 84	✓										
	10	Perry H. Davis,	"		16 43	✓										
	10	Carrington & Co.,	"		46 91	✓										
	10	Geo. W. Arnold, Jr.,	"		43 82	✓										
	10	M. Heacock & Co.	Note, 9th, 60 ds.		221 00	✓										
	10	Bills Payable,	Heacock & Co. Note		500 00	✓					500 00					
	10	Real Estate, "	First payment on purchase		15000 00	✓										
	10	Bills Payable,	3 notes, 6, 12 and 18 mos.		500 00	✓										
	10	"	1 note, 6 mos., Real Estate		500 00	✓										
	10	"	" 12 " " "		500 00	✓										
	10	"	" 18 " " "		500 00	✓										
	10		Horse feed &c., cy.					4 75						4 75		
	10		Paid water tax, "					5 00						5 00		
	10		Allowance, P & L.													
	10	F. E. Briscoe,	Cash to bal.				68 1									
	10	"	Briscoe		68 1	✓										
	10	Profit and Loss,	Mdse, S. B. 1, 65		65 24	✓										
	10	C. Churchill,	" " 67		187 43	✓										
	10	C. Watson,														
			Forward,		8005 80	12910 78	227 83	224 53		3265 36	2135 53	7901 65	4548 55	264 12	40 79	86 00

JANUARY 189—

DATE.	LEDGER ACCOUNT.	WHAT FOR.	AMOUNTS TO BE POSTED.		CASH.		DAILY CASH & Bk. BAL'S		BANK.		MERCHANDISE.		EX. PENSES PAID.		FREIGHT PAID.		SALARIES PAID.	
			Dr.	Cr.	Rec'd	Dr.	Dr.	Cr.	Deposits	Checks	Purch's	Sales.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Jan. 11	F. K. Gunn,	Forward	8005.80	12930.78	227683			2245.63	3265.30	2135.53	7901.25	4548.55	264.12		40.79		86.00	
11	A. Platt	Mdse., S. B. 1, 68	18.62	v														
11	"	" " 69	178.91	v														
11	Peyton H. Taylor,	" " 71	164.3	v														
11	Chas C. Ruff,	" " 72	98.75	v														
11	E. N Dowdall	" " 74	47.84	v														
11		Cash deposited					200.00											
11		" sales																
11		Exchanged, checks			218.40													
11		Check deposited																
11		Note, 8th. 30 ds																
11		Carrington note																
11		Sold stamps																
11		Freight refunded																
11		McGrew's note disc'd.																
11		Conner s "																
11		Carrington s "																
11		Goods returned,																
11	A. Hayes,	Chk returned, no good,																
11	Flynn Bros ,	Note returned																
11	T. Peck,	Peck's note																
11	Bills Receivable	New note, 5th. 30 ds.																
11		Peck's note																
11		Accept'd dft., 9th. 30 ds.																
11		Same																
11		Dft., 9th, 60 ds , accept d																
11		Same																
11		Check for cy																
11		Horse bought																
11	Horses and Wagons,	Horse to close account																
11	Harry Crowell,	Commission on sales made																
11	C Churchill,	Commission for selling																
11	" "	Commission																
11	Profit and Loss,	Cash received on collaterals																
11	A Miller,	left us security																
		Forward	9006.82	14415.19	2571.67		2445.63		4478.64	2475.53	7920.61	5127.56	269.38		40.79		86.00	

JANUARY 189—

DATE.	LEDGER ACCOUNTS.	WHAT FOR	L. P.	AMOUNTS TO BE POSTED		CASH.		DAILY CASH & Bk BAL.		BANK.		MERCHANDISE.		EXPENSES PAID.		FREIGHT PAID.		SALARIES PAID.	
				Dr.	Cr.	Rec'd	Paid.	Dr.	Cr.	Dr.	Cr.	Purch.	Sales.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Jan. 13	Flynn Bros & Co.,	Forward,		906 82	✓ 144 15	257 167	2445 63			447 86	✓ 2475 53	7920 61	✓ 5127 56	269 38		40 79		86 00	
13	"	Cash on acct.			✓ 20 00	20 00													
13	"	Demand Note			✓ 145 00														
13	Bills Receivable,	"		145 00	✓														
13	Cash Receipts and Payments,	Receipts for the month		2591 67	✓														
13	"	Payments " " "			✓ 2445 63														
13	Jas Dickson Sons Bank,	Deposits " " "		447 86	✓														
13	"	" " "			✓ 2475 53														
13	Merchandise,	Checks		7920 61	✓														
13	"	Purchases			✓ 5127 56														
13	Expenses,	Sales		269 38	✓														
13	Freights,			40 79	✓														
13	Salaries,			86 00	✓														
				24628 91	✓ 24628 91	2591 67	✓ 2445 63			447 86	✓ 2475 53	7920 61	✓ 5127 56	269 38		40 79		86 00	
						146 04													

FEBRUARY 189—

Cash on hand and in bank

Proof of Trial Balance.

Amount of previous Trial Balance	-	0000 00	0000 00
" "Amts. Posted" column	-	24628 91	24628 91
Trial Balance must foot	-	24628 91	24628 91

As the month closes and the business transactions are posted we proceed to take off a trial balance.

We first foot and rule up the "Cash," "Bank," "Mdse.," "Expense," "Freight" and "Salaries" columns and then transfer the totals to the "Ledger Accounts" column for posting, substantially as shown—posting not in balances but as debits and credits, consecutively. Foot and rule up the "Ledger Accounts" columns, both sides of which will agree, and these amounts are precisely what the Dr. and Cr. side of your trial balance must foot when added to the amounts of the previous balance.

Presuming the transactions as given to be the end of the fiscal year, we proceed to close the books to ascertain the results of the business. Many book-keepers try to save work by doing this on the ledger, or in lumping together, &c., but as it occurs but once or twice in each year there is nothing gained by brevity. The plan of entries as shown should be followed closely and consecutively.

Transfer the balance of Belding's personal account to his "Stock" account.

Transfer the balance of Sanford's personal account to his "Stock" account.

Transfer the balance of Freight account to "Merchandise" account.

Transfer the balance of Merchandise account to "Profit and Loss" account *before entering the inventory.*

Transfer the balance of Expense account to "Profit and Loss" account.

Transfer the balance of Salaries account to "Profit and Loss" account.

This closes all of the accounts (including "Mdse.") except "Profit and Loss" and the two Stock accounts.

Credit "Profit and Loss" account with the amount of the Mdse. inventory and charge the same to "Merchandise" account. This opens up the new merchandise account with the "Inventory," and not as a balance.

The difference between the Dr. and Cr. side of the "Profit and Loss" account will now show the exact net gain or loss. If it is gain debit the account with the amount (which closes Profit and Loss) and credit "Belding's Stock" account with one-half and "Sanford's Stock" account with the balance. This leaves "Profit and Loss," "Expense," "Salaries" and "Freight" accounts closed. The Stock accounts will then show how much the investment has increased or diminished.

Rule up every account upon the ledger and bring down the balances (except in Bills Receivable and Bills Payable accounts) if any, and then take another trial balance as a basis of accuracy as well as a part of the proof for your next trial balance.

All transactions should go through the journal, such as transferring one account to another and cross entries, &c. The only exceptions to this would be in bringing down balances or carrying forward from page to page.

Corrections by erasures are admissible, but not advisable, on the ledger.

but should never occur on the books of original entries. Should it become necessary to make alterations on the books of original entries it may be done with red ink or by making the figures larger than ordinary, as that would indicate the correction, while the small figures would show what the correction was made from. When the error is corrected by figures of the same size it is difficult to tell which would be the correct ones.

SIXTH PROCESS.

The following general plan for condensing and arranging the items for posting is commended:

All of the items for posting (except the totals of the representative columns) are to be found in the "Amounts to be Posted" columns, which reduces the work of posting to the lowest minimum.

The Cash column is reversed but the items are found in the "Amounts to be Posted" columns, in their proper place, so that *all posting is from a right hand column to a right, and from a left to a left.*

The Cash represents only actual receipts and payments, showing accurately the exact amount of cash used in conducting the business.

AT THE END OF THE MONTH TRANSFER THE FOOTINGS (NOT DIFFERENCES) OF EACH COLUMN TO THE "AMTS. POSTED" COLUMNS, CLOSING "EXPENSE," "SALARIES," "FREIGHTS" AND ALL OTHER GAIN OR LOSS ACCOUNTS INTO "PROFIT AND LOSS," AND POST ACCORDINGLY. TRANSFER THE TOTALS OF ALL OTHER COLUMNS THE SAME WAY, FOR POSTING. IN THIS WAY THE LEDGER WILL SHOW ONLY TWO LOSS AND GAIN ACCOUNTS, "MERCHANDISE" AND "PROFIT AND LOSS." THUS WITH AN APPROXIMATE INVENTORY, THE CONDITION OF THE BUSINESS IS KNOWN AT THE END OF EVERY MONTH, AND AT THE CLOSE OF THE YEAR'S BUSINESS, THE SETTLEMENT IS EASILY MADE.

At the close of each month carry the balances of Cash on Hand and Cash in Bank forward to commence the next month's work with, but at the next monthly closing the amounts of the Cash columns and Bank columns are to be transferred to the "Amounts to be Posted" columns, *less the balance on hand at the first of the month.*

As a monthly proof of the correctness of the work the trial balance must agree with the footings of the "Amounts to be Posted" columns, but for all subsequent proofs the amounts of the former trial balance Dr. and Cr. must be added to the present footings of the posting columns.

It will be seen that in this instance "Cash" and "Merchandise" are reversed for the reason that items are not posted from the columns of either, except as totals at the end of the month, and their corresponding entries as placed in the "Amounts to be Posted" columns and properly prepares them for posting.

JANUARY 189—

DATE.	LEDGER ACCOUNTS.	WHAT FOR.	L. P.	AMTS. TO BE POSTED.		CASH.		BANK.		MISE.		EXPENSE.		FREIGHT.		SALARIES.		BILLS RECEIVABLE.		BILLS PAYABLE.	
				Dr.	Cr.	Rec.	Paid.	Dep.	Chks.	Pur.	Sales	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Jan.	S. Belding stock,	Sundries			✓ 2500 00	90 50															
1	J. Sanford "	Horse & Wagon			✓ 2300 00	848 02															
1	" "	Sanford			✓ 200 00																
2	Horses & Wagon,	Sundries		200 00	✓																
2	Office fixtures,	Deposited		237 25	✓																
2		Sunds, books &c.																			
3		Signs &c.																			
3		Cash Sales				55 68															
4		Freight.				243 26															
4		Cash Sales																			
4		Deposited																			
4		Overcharge																			
4		Electric lights																			
5	Manning & Brown,	Cash Sales		2641	✓																
5		Deposited				198 64															
5		Short																			
5		Freight																			
6	Office fixtures,	Sundries		800	✓																
6		Paper & Mdse.																			
6	A. T. Canfield,	Cash and disct.																			
6	J. Little & Son,	N. Y. Draft		126 00	✓																
6		Cash Sales				186 43															
6		Over				26															
6		Deposited																			
6		Rent and Salaries																			
6		Box rent																			
6		Letter press		450	✓																
6	Office fixtures,	Note, 3d, 30 ds.		32600	✓																
6	S. F. Deford & Co.	McGraw, disctd.																			
8		Cash Sales				152 40															
8		over				61															
8		Note, 30 ds.																			
9	A. Platt,	Error in bill				226 41															
9	C. C. Chadwick,	Note, 4 mos.		100	✓																
9	J. Horne & Co.,	Telegrams		131 50	✓																
9		Cash		1500	✓																
9	J. Sanford, personal			1000	✓																
9	S. Belding,	Our note disctd.																			
9		Deposited																			
9		Footings Forward,		1085 66	✓	5352 41	1904 20	2041 88	2889 30	635 53	3908 54	1456 67	219 81	40 79		86 00		812 69		1457 50	
9		Deductions				1085 66		1901 20	635 53												
9		Balances				4266 75		14068 2553 77		3908 54	1456 67	219 81		40 79		86 00		812 69		1457 50	

JANUARY 189—

DATE.	LEDGER ACCOUNTS.	WHAT FOR.	L. P.	AMTS. TO BE POSTED.		CASH.		BANK.		MDSE.		EXPENSE.		FREIGHT.		SALARIES.		BILLS RECEIVABLE.		BILLS PAYABLE.	
				Dr.	Cr.	Rec.	Paid.	Dep.	Chks.	Pur.	Sales.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Jan.		Forward		108566	✓ 53241	190120	204188	288030	61553	390854	145667	21981		4079		8600		81269			145750
10	C. C. Chadwick,	Cash sales				16194		22600			16194	41						1796	22641		
10	T. Peck,	Platt's note disc'd		✓	1796													1421			
10	Hammond Mfg. Co.	Note, 4th, 30 ds.		✓	1421																
10		Paid on account		100000	✓				100000												
10		Exchg.																			
10	J. Sanford,	Coal and teleph.		10000	✓		100					100									
10	A. Connor,	Cash			10148		1800					1800									
10	E. Schuman,	Note, 50 ds.		✓	1293		1000														
10	"	Cash		✓	40																
10	"	Discount		✓	15																
10	"	Exchange		✓	15																
10	O. Lady's Home	Deposited				19395		15000			19395	15									
10	M. Heacock & Co.,	Cash sales		22100	✓		15000	15000													22100
11	Real Estate,	Note, 9th, 60 ds.		500000	✓				500000												500000
11	"	Check		150000	✓																
11	"	Bills Payable																			
11	"	Sundry expenses																			
11	F. E. Briscoe,	Profit and loss		✓	681		975					975									
11	"	Cash		✓	681																
11	"	Profit and Loss,		681	✓																
11	"	Briscoe																			
11	"	Deposited																			
11	"	Cash sales				21846	20000	20000			21846										
11	"	Exchanged chks.						16500													
12	Carrington & Co.,	Note, 30 ds.		✓	16584																
12	"	Stamps sold																			
12	"	Freight				128															
12	"	Bills Rec. dis.						84834													
12	A. Hayes,	Goods returned		✓	1896							526									
12	Flynn Bros. & Co.,	Check		16500	✓																
12	T. Peck,	Bills Rec. "		1421	✓																
12	"	" " new		✓	5782																
12	"	" " "		✓	6900																
12	Harold & Charles,	Bills Payable		16875	✓																
12	Atlanta Fabric Co.,	Check for cy.				1000															
13	Horses and Wagons	"		8940	✓																
13	Harry Crowell,	"		✓	8940																
13	C. Churchill,	Cash on account		4500	✓																
13	"	Com. on sales		45	✓																
13	"	Commission		45	✓																
13	Profit and Loss,	Forward		476128	✓ 59950	255167	24450	347864	247553	392790	203102	26838		10	4079	128	8600	123900	109422		334725

EXTENSION LEDGER.

The following illustration may be termed an extension ledger.

This process has been in use for several years in large banking and commercial businesses, and is very satisfactory.

Each page proves itself and shows its own trial balance both in ledger footings and in differences.

Three ledgers should be opened—a “Private,” a “Purchase” and a “Sales” ledger, for convenience and privacy.

THE PRIVATE LEDGER CONTAINS THE SUBSTANCE OF THE ENTIRE BUSINESS, INCLUDING THE MONTHLY TRIAL BALANCES, AND IF ANY INVENTORY COULD BE HAD MONTHLY, THE EXACT CONDITION OF THE BUSINESS IS ALWAYS AT HAND—THE PRIVATE LEDGER, AS ITS NAME INDICATES, IS PRIVATE, AND IF THE MANAGER DESIRES HE CAN MAKE THE ENTRIES HIMSELF SO THAT NO ONE, NOT EVEN THE BOOK-KEEPER WOULD HAVE ACCESS TO IT.

The Purchase ledger contains nothing but purchases and shows monthly the balance of the accounts payable.

The Sales ledger contains nothing but the customers' accounts, with each month's business separate, or as a whole, showing the balances at all times. By a simple and easy process of averaging accounts each customer's account will show the average date of maturity of each month, as shown by rule for monthly averaging on page 118; the average date can be inserted in red ink each month and is thus ready for use when wanted.

At the end of the month the footings of the “Purchase” and “Sales” ledgers (less the balance at the first of the month), must be transferred to the private ledger, as shown.

The illustrations of the ruling of these ledgers are necessarily reduced for want of room, but in ordering the books the rulings can be enlarged to the proper proportions, so that each folio (not page) should show the rulings for 12 months—this will make a wide ledger (from 36 to 50 inches) when open, but it shows the entire year's transaction of each account on the one folio. The accounts will then be continued on the same lines of the next folio, and so on through the ledger so that the first account will always be found in the same place on every folio consecutively throughout the ledger.

Should an account close and cease to exist, a new name may be inserted in the same space where the former ends, and thus utilize the entire ledger.

Horizontal lines dividing the accounts should be inserted and so spaced as to admit of all of the transactions for the month or if most of the accounts have but few

monthly transactions and but a few accounts have more items to post, two or three spaces may be kept for such contingencies, but the nature of the business will suggest the proper ruling.

IT WILL BE SEEN THAT THERE IS NO RULING OF ACCOUNTS TO CLOSE OR BRING DOWN BALANCES, AND NO FOOTING UP OF LONG COLUMNS, EXCEPT THE TOTALS FOR THE MONTH, SO THAT PROOFS OF ACCURACY ARE HAD AT ALL TIMES BY ADDING THE TOTALS OF THE "AMOUNTS TO BE POSTED" COLUMNS TO THE TOTALS OF THE PREVIOUS TRIAL BALANCE.

As the loss and gain accounts are closed monthly, there remains but the "Profit and Loss" and "Merchandise" accounts to be closed at the annual settlement.

PRIVATE LEDGER.

JANUARY 189—

FEBRUARY 189—

NAMES.	PAGE.	DATE.	DR.	PAGE.	DATE.	CR.	DR. BALS.	CR. BALS.	PAGE.	DATE.	DR.	PAGE.	DATE.	CR.	DR. BALS.
Forward,															
Samuel Belding, Stock				1		2500 00		2500 00							
Jay Sanford, Stock				1		2300 00									
				1		200 00		2500 00							
Horses and Wagons	1		200 00												289 40
	13		89 40				289 40								
Office Furniture	2		237 25												249 75
	6		8 00				249 75								
	8		4 50												
Real Estate	11		500 00												2000 00
	11		1500 00				2000 00								
Profit and Loss	11		68 1	13		45									401 15
	13		269 38	13		10									
	13		40 79	13		1 28									
	13		86 00				401 15								
Cash Receipts and Payments	13		2591 67	13		2445 63	146 04								146 04
Dickson & Sons' Bank	13		4478 64	13		2475 53	2003 21								2003 21
Merchandise	13		7920 61	13		5127 56	2793 05								2793 05
Bills Receivable	13		1384 00	13		1094 22	289 78								289 78
Bills Payable				13		3347 25		3347 25							
Flynn Bros. & Co.	12		165 00	13		20 00									
				13		145 00									
Samuel Belding, Personal	9		10 00				10 00								10 00
Jay Sanford, Personal	9		15 00												25 00
	10		10 00				25 00								
Purchase Ledger	13		1999 66	13		3992 71		1993 05							
Sales Ledger	13		3112 20	13		979 18	2123 02								2132 02
Forward,			24628 91			24628 91	10330 40	10330 40							

SALES LEDGER.

JANUARY 189—										FEBRUARY 189—										MARCH 189—									
NAMES.	PAGE.	TERMS.	DATE.	DR.	PAGE.	TERMS.	DATE.	CR.	DR.	BALS.	PAGE.	TERMS.	DATE.	DR.	PAGE.	TERMS.	DATE.	CR.	DR.	BALS.	PAGE.	TERMS.	DATE.	DR.	PAGE.	TERMS.	DATE.	CR.	
Forward,				1431	60			644	81	786	79																		
Dwyer Bros , Buffalo			5	15	91					15	91									15	91								
Addison Miller, Los Angeles			5	68	75	13		20	00	48	75									48	75								
Arthur Hayes, Washington			5	126	84	12		18	96	107	88									107	88								
Alger Platt, New York			6	226	41	9		226	41											216	54								
			10	37	63					216	54																		
			11	178	91																								
Campbell Watson, Kansas City			6	39	47															282	74								
			10	55	84																								
			11	187	43					282	74																		
Samuel Hood, Chicago			6	83	84					83	84									83	84								
Sam'l B. McElroy, Philadelphia			6	81	97															111	40								
			8	29	43					111	40																		
George D. Cooke, Mansfield			8	26	91					26	91									26	91								
Harold & Charles, Detroit			9	69	00	12		69	00																				
Samuel Mansfield, Nashville			9	84	42					84	42									84	42								
Louis D. Hunt, Albany			9	19	63					19	63									19	63								
Thos. G. Connor, Richmond			9	78	20					78	20									78	20								
Robt. M. Abbott, Montgomery			9	46	74					46	74									46	74								
Perry H. Davis, Birmingham			9	16	43					16	43									16	43								
Forward,				2905	36			979	18	1926	18																		

SALES LEDGER.

JANUARY 189—

FEBRUARY 189—

MARCH 189—

NAMES.	PAGE.	TERMS.	DATE.	DR.	PAGE.	DATE.	CR.	DR.	PAGE.	DATE.	CR.	DR.	PAGE.	DATE.	CR.	DR.	PAGE.	DATE.	CR.
Forward,				2905	36		979	18											
Geo. W. Arnold, Jr.			10	43	32											43	82		
Milwaukee																			
Peyton H. Taylor,			11	16	43											16	43		
Baltimore																			
Charles C. Ruff,			11	98	75											98	75		
Raleigh																			
Edwin N. Dowdall,			11	47	84											47	84		
Decatur																			
Forward,				3112	20		979	18				2133	02						

STOCK COMPANY BOOKS.

Mathematical accuracy and a comprehensive knowledge of the composition and treatment of accounts is nowhere more important than in keeping the books of banking and other corporations, where all parties concerned are entitled to full, accurate and reliable statements of the affairs and condition of the business.

Every evidence of indebtedness, either to or by the concern, should be placed upon the books as soon as it is verified. No matter how small the amount, its proper place is on the Ledger, which is, or should be, a compendium of everything pertaining to or affecting the business.

The books should be so kept that should the directors or proprietors require at any time a reliable exhibit of the affairs of the concern, it can be furnished promptly. This can easily be done from properly kept books.

Nothing but the incapacity of the book-keeper could prevent such a statement being made at any time during the year, if his books have been properly opened, and kept in a plain and comprehensive manner.

The incompetency of the book-keeper will, in most cases, result in disaster to the business, while a competent man will always have his books in shape to make a safe and reliable statement of the results whenever required to do so. Thus the management can have a continuous knowledge of the business, and can see any deficiency in time to make alterations or changes in the business, and also to indicate and check any irregularities before it reaches dangerous proportions.

The opening entries of the books of a stock company are governed by the requirements of the business, and suggestions can only be made in a general way. Previous to making the opening entries, a complete copy of the articles of corporation and by-laws, or a synopsis of their salient points, should be entered on the blank leaves of the Ledger as a guide for the book-keeper, and as being convenient to refer to at all times.

Credit Capital Stock account with the par value of the stock, which stands on the books as a liability.

Charge each subscriber with the number of shares he has subscribed for thus creating an asset. Such stock as is to be held in reserve for future contingencies should be charged to "Treasury Stock," or to one of the board of directors as "Trustee." Thus it becomes a conditional asset.

The subscriptions of the stock may be posted to the names of each in separate accounts, opened as their "Stock" accounts, or, if so desired, all of the stock may be charged to "Treasury Stock," so that while the Ledger contains

the amount of the subscriptions, it gives no publicity to the names of the stockholders.

As the amounts subscribed are paid in, either in part or as a whole, credit each party or "Treasury Stock" with the same on the Cash Book, so that the Capital Stock account will remain as it is, while the subscribers' stock accounts (or the Treasury Stock account) will always show the amount paid in.

If but one Ledger is to be kept, it should be opened with a view to keeping the different kinds of accounts in groups for convenience in taking off the trial balances. A Ledger of say eight hundred pages should be divided as follows:

The first one hundred pages to be reserved exclusively for the Representative accounts, and from the hundredth page forward the Sales accounts as they occur. On the last page of the Ledger commence to enter the Purchase accounts, and work towards the Sales accounts.

When a trial balance is taken, it will show the several classes of the accounts in groups, from which the balance sheet is easily made.

From the balance sheet, together with a closely approximated inventory (which can be easily reached at any time), a safe and reliable statement of the condition of the affairs of the business can be had at any time during the year. The simplest process of reaching the inventory is to add to the previous regular inventory all of the purchases from that time to the present, and also the amount of labor performed. From the total thus obtained deduct the amount of the sales, less the rate per cent of gross profits on the previous year's business. The result will be the amount of the present inventory.

If the profits for the month are desired, divide the amount of the month's sales by the previous year's rate per cent of gross profits added to 100 (or deducted for losses); the result will be the cost of the goods sold, and the difference between that and the gross sales will be the gross profits, from which deduct all of the month's expenses, and the result will be very close to the net profits. The same process will bring the result of the business of the part of the year already expired.

MANUFACTURING CORPORATION ON A BUSINESS ALREADY ESTABLISHED.

To form a stock company of a business already established and in successful operation, Charles Bonsall's entire plant, book accounts, real estate, etc., are taken at their valuation, \$47,150.00, and assume his business liabilities of \$2,150.00. He is to receive \$20,000.00 in cash, \$5,000.00 of a bonus, and \$25,000.00 of the capital stock of the new corporation, paid up to its par value, after which his stock to be subjected to the same conditions as that of the other stockholders.

The capital to be \$100,000.00, divided into 1,000 shares of \$100.00 each. The stock is all taken except 400 shares, which is held as a reserve for contingencies.

A simple, equitable, and comprehensive method of opening the books would be as follows, making the opening entries on the Journal :

Charge—Charles Bonsall, Stock acct., 250 shares, at \$100.00.....	\$25,000 00	
Louis O'Keefe, " 100 " " "	10,000 00	
James E. Polhemus, " 100 " " "	10,000 00	
Lawrence L. Dixon, " 75 " " "	7,500 00	
Edw. T. Blackmer, " 50 " " "	5,000 00	
William L. Jones, " 25 " " "	2,500 00	
Chas. Bonsall, Trustee, " 400 " " "	40,000 00	
Credit—Capital stock.....		\$100,000 00
Charge—Real estate, appraised value.....	7,000 00	
Engine and machinery, appraised value	6,000 00	
Tools and fixtures, " "	3,000 00	
Patterns, " "	3,000 00	
Horses and wagons, " "	680 00	
Thompson's Patent Cut-off	10,000 00	
Material, appraised value.....	1,165 00	
Bills receivable (in detail).....	10,550 00	
Accounts receivable (in detail).....	5,270 00	
Credit—Charles Bonsall, stock acct.....		25,000 00
Charles Bonsall, personal acct.....		22,150 00
Charge—Charles Bonsall, personal acct., liabilities assumed	2,150 00	
Credit—Accounts payable (in detail).....		150 00
Bills " "		2,000 00
Charge—L. O'Keefe, personal acct., proportion of bonus.....	1,428 57	
J. E. Polhemus, " " " "	1,428 57	
L. L. Dixon, " " " "	1,071 43	
E. T. Blackmer, " " " "	714 29	
W. L. Jones, " " " "	357 14	
Credit—Charles Bonsall, personal acct.....		5,000 00

As the subscriptions are being paid, the entries should be made on the Cash Book as follows :

Credit—L. O'Keefe, Stock acct., cash.....	\$10,000 00
J. E. Polhemus, Stock acct., cash.....	10,000 00
L. L. Dixon, " " "	7,500 00
E. T. Blackmer, " " "	5,000 00
W. L. Jones, " " "	2,500 00
Charge—C. Bonsall, Personal acct., cash.....	\$20,000 00

This opens the books for business, and, when posted, the accounts will stand upon the Ledger as follows :

Capital Stock	\$100,000 00
C. Bonsall, Trustee.....	\$40,000 00
C. Bonsall, Personal.....	5,000 00
L. O'Keefe, "	1,428 57
J. E. Polhemus, Personal.....	1,428 57
L. L. Dixon, "	1,071 43
E. T. Blackmer, "	714 29
W. L. Jones, "	357 14

The business may easily be kept on one set of books, as there is nothing to conceal.

When the stock is to be paid in assessments, credit each stockholder's stock account with the amount he pays, until the par value is reached, which will close his stock account.

Should subsequent assessments be made, charge each stockholder's account (through the Journal) with the amount of his assessment, and credit the same to Capital Stock account.

As Mr. Bonsall is entitled to the bonus of \$5,000, it should be paid to him in cash by the other subscribers, or charged to them *pro rata*, and credited to Mr. Bonsall. If it is treated as a Profit and Loss item, he would be paying to himself one-fourth of the amount, as he owns one-fourth of the stock which shares its *pro rata* of losses and gains.

The 400 shares are held for contingencies. If more money is needed, the stock can be sold for that purpose, and is to share in the results only from the last settlement of the books. If no division of profits have been made, but rather held for working capital, the sale of the reserve stock would share in the accumulations, unless especially provided for in the sale. If stock thus disposed of is sold at a premium, the stock already sold should share in the profits.

When dividends are declared, to be paid in cash, the amount of the dividend should be transferred from the Profit and Loss account to Dividend account, and as it is paid debit Dividend account with the same.

If a dividend is declared, and to be held, it should be transferred not to Capital Stock account as an increase, but to Working Capital account.

To open the Ledger for convenience in taking off trial balances and balance sheets, the first fifty or one hundred pages should be reserved for the Representative accounts, and from the hundredth page forward for the Customers' accounts; then commence entering the Purchase accounts on the last page of the Ledger, and work towards the front as the accounts occur.

In this way the Representative, Customers', and Purchase accounts are separated, so that the trial balance will always show the amount due to others, and the amount of outstanding accounts receivable, from which the balance sheet and statement are easily made.

The first page of the Ledger should contain the Capital Stock account, to be followed by the accounts having the fewest entries, as Trustee Stock account, Real Estate, Patent Cut-off, Horses and Wagons, Engine and Machinery, Tools and Fixtures, Patterns, Furniture and Fixtures, Profit and Loss, Dividend account, etc., etc., leaving enough space for such entries as may occur in the future. Such accounts may be entered two, or even three, on a page. Then open on the right-hand page the Material account, leaving as many consecutive blank pages as may be needed for, say, two years. Then, on a left-hand page, open Expense account, and reserve pages for its consecutive continuation. By thus commencing all such accounts on the left-hand page, a folio (2 pages) of its items will be seen as the Ledger lays open before you.

As many expense accounts as may be necessary can be opened, as Labor, Rent, Interest, Discount and Exchange, Freight, Fuel and Lighting, Bank, Cash, Personal (if any), Bills Receivable, and Bills Payable accounts, etc.

With a little care and judgment in opening a Ledger, the book-keeper will find his labor and annoyance very materially lessened.

A book for the purpose of keeping a list of the stockholders should be kept in all stock companies, with the date of issue, number of the certificate, number of shares, name of the holder, with his postoffice address, etc., leaving sufficient space between each in which to enter any transfers of stock which may occur, so that every certificate of stock issued may be easily traced at any time.

In order to determine the results of separate departments of a mercantile business, each department may have its own Sales Book, ruled for the extension of the cost of the goods sold, and the amount sold for; thus the gross profits of the sales in each department may be readily ascertained.

In a manufacturing concern, as a machine shop and foundry, each foreman should be furnished with a book arranged for the purpose of keeping an accurate account of all material used and labor performed on his part of the work of any contract or piece of machinery. The pattern-maker should enter the amount of lumber and other material used, together with the labor performed to complete the patterns. The foreman of the foundry would keep an account of the moulders' time, metal used, labor, etc. The foreman of the machine shop would keep a record of the labor performed and material used to complete his part of the work, etc., etc. Thus the book-keeper can determine the exact cost of every sale. The processes can only be given in a general way, as the details will be arranged to suit the peculiar nature of the requirements.

CORPORATION ON A PATENT.

A patent is owned by A and B, on which is organized a stock company with a capital of \$25,000.00, and issue 1,000 shares of stock at \$25.00 each.

The patent to be taken at a valuation of \$12,500.00, and that amount of the stock issued equally to A and B as paid-up stock.

The balance (one-half) of the stock is sold at par. Thus A and B own one-half of the stock against the investments of the other stockholders.

If only one set of books are to be kept, the following Journal and Cash Book entries would properly open the books.

JOURNAL.

Charge—A's Stock acct., 250 shares @ \$25.00.....	\$6,250 00	
B's " " 250 " " "	6,250 00	
C's " " 150 " " "	3,750 00	
D's " " 150 " " "	3,750 00	
E's " " 100 " " "	2,500 00	
F's " " 100 " " "	2,500 00	
Credit —Capital stock.....		\$25,000 00
Charge—Patent acct. for its estimated value	\$12,500 00	
Credit —A's Stock acct., one-half of the patent		6,250 00
B's " " " " "		6,250 00

CASH BOOK.

Credit —C's Stock acct., cash.....	\$3,750 00
D's " " "	3,750 00
E's " " "	2,500 00
F's " " "	2,500 00

These entries would open the books, and when the items are posted to their several accounts on the Ledger, all of the Stock accounts will be closed, while the Capital Stock will remain open for the full amount as an indebtedness.

The Patent account will remain open as an asset, and is not to be closed until the final winding up of the business, at which time it is to be considered as a part of the Profit and Loss account for what it is sold for, and thus each share of stock would participate in the results.

Under no circumstances should the annual profits be transferred to the Patent account, for the reason that A and B have already received full pay for their one-half of the value in taking paid-up stock, and their proportion of future profits is their own legitimate property, and should not be diverted for the payment of the patent to close the account.

All dividends should be transferred from the Profit and Loss to the Dividend account, and either held as working capital or paid out to the stockholders *pro rata* as decided by the board.

If they are to be paid out to the stockholders, the amounts may be transferred from Dividend account to each stockholder's personal account, and, as payments are made, charge the same and post to the personal accounts, or, instead of opening the personal accounts, the payments may be posted direct to Dividend account.

For suggestions as to opening the Ledger, see page 82.

MANUFACTURING CORPORATION STARTING A BUSINESS.

Where it is necessary or advisable to keep two sets of books, a Ledger, Cash Book, and Journal will be required for each set, *i. e.*, stock books and general books.

The Stock Ledger (as its name indicates) should contain a complete and full record of the stock issued, and the disposition made of the same.

The General Ledger should contain everything pertaining to the assets and liabilities, and the business transactions of the company, as in personal partnership or other ordinary business.

Illustration of opening a set of books for a stock company in which assessments are to be made as the business requires, five men forming a stock company of \$45,000.00 capital; incorporated as the "Michigan Iron and Steel Company," each member subscribing for stock as follows:

John R. Baldwin.....	30	Shares, \$500.00 each.....	\$15,000 00
Horace R. Moore.....	20	" " "	10,000 00
George B. Goodale.....	17	" " "	8,500 00
Charles B. Case.....	15	" " "	7,500 00
Frederick W. Merrill.....	8	" " "	4,000 00
			<u>\$45,000 00</u>

The charges should be entered upon the Stock Ledger (without credits) as follows:

Stock Subscription account for

John R. Baldwin, subscription to stock.....	\$15,000 00
Horace R. Moore, " "	10,000 00
George B. Goodale, " "	8,500 00
Charles B. Case, " "	7,500 00
Frederick W. Merrill, " "	4,000 00
<u>\$45,000 00</u>	

The company made an assessment (on the stock issued) of twenty (20 %) per cent. for a working capital with which to commence operations. Make the entries on Stock Journal as follows:

Charge—John R Baldwin, Assessment No. 1, 20 % of \$15,000 00.....	\$3,000 00
Horace R. Moore, " " " 10,000 00.....	2,000 00
George B. Goodale, " " " 8,500 00.....	1,700 00
Charles B. Case, " " " 7,500 00.....	1,500 00
Frederick W. Merrill, " " " 4,000 00.....	800 00
Credit — Stock account with the same	<u>\$9,000 00</u>

As the above amounts are paid in, give each party credit on the Stock Cash Book, and charge the same to The Michigan Iron and Steel Company as cash, which completes the opening of the Stock Books.

When subsequent assessments are made, make the entries in the same manner. Thus the Stock Ledger will show the exact amount that has been paid in.

When the full amount of \$45,000.00 has been paid in, the Stock account will have a credit balance of \$45,000.00, and the Michigan Iron and Steel Company will show a debit balance of \$45,000.00.

To open the General Ledger, credit the amount of the assessment (\$9,000.00) to Stock account on the General Cash Book, and post accordingly, which opens the General Ledger with nothing but actual transactions, and from which the trial balances are made.

The same process is applicable to all classes of stock companies, but may be simplified in a limited company when the stock is paid up, in which case credit each of the above parties on the Stock Cash Book with the cash paid in full of their subscriptions, and charge the same to the Michigan Iron and Steel Company, which would open the Stock Books.

Credit Capital Stock on the Cash Book of the General Ledger with

\$45,000.00, and post accordingly, which opens the General Books, from which the trial balances are made.

The peculiarities of the business will suggest the nature of the representative accounts to be opened on the General Ledger, and the grouping of the different classes of accounts for convenience, as indicated on page 82.



BANK BOOKS.

In small banking concerns the books are frequently kept similar to those of commercial business, except that two Ledgers are necessary. The instances are not few when only one Ledger is used by reserving a part for the General and the balance for Deposits.

We present a plain system of keeping the business of a bank on two Ledgers—a General and a Deposit Ledger—the General Ledger containing the entire business, and the Deposit Ledger giving the details of the Deposit accounts.

The Cash Book, as shown, containing the cash transactions of the day.

The additional books necessary would consist of a Journal, Discount Register, Collection Register, Tickler, Certificate of Deposit Register, etc., etc., as may be deemed necessary.

The management of medium banking institutions differs materially in the matter of details. In some instances, the details or results cannot be understood unless it is arranged in the simplest possible manner, while others require more elaborate methods.

When the cashier and book-keeper do all of the work of the bank, the simplest process of keeping the records would be the most satisfactory.

The following illustrations of bank books will be sufficient for any ordinary banking institution, to which may be added such books and processes as may be deemed necessary.

CASH BOOK.

CASH RECEIPTS.

DETROIT, MONDAY, Jan. 1, 189—

PAGES			
	Stock cash.....		147,649 76
	Charles Smith, deposit.....	780 40	✓
	J. R. Johnson, deposit.....	216 00	✓
	German Insurance Company, deposit.....	18,000 00	✓
	H. R. Arnold, deposit.....	1,340 00	✓
	John Richison, deposit.....	400 00	✓
	Fourth National Bank, drafts.....		✓ 1,816 80
	Interest and Exchange.....		✓ 81 38
	Bills discounted, Josiah B. Wayne.....		✓ 1,600 00
	Deposit account..		✓ 20,736 40
	Cash Receipts (debit cash on Ledger account)...		✓ 171,884 34

CASH PAYMENTS.

DETROIT, MONDAY, Jan. 1, 189—

PAGES.					
	Charles Smith, checks, \$120.69, \$369.81, \$27.06..	517	56	✓	
	German Insurance Company, check.....	17,640	00	✓	
	H. R. Arnold, check.....	916	00	✓	
	J. R. Johnson, checks, \$41.20, \$49.47.....	90	67	✓	
	John Richison, check	394	90	✓	
	Fourth National Bank, remittance			✓	2,447 60
	Bills discounted			✓	7,760 00
	Deposit account.....			✓	19,559 13
	Cash payments (credit cash on Ledger).....			✓	29,766 73

DEPOSIT LEDGER.

CHARLES SMITH.

189—

189—

Jan.	1	Cash, \$120.69, \$369.81, \$27.06...	517	56	Jan.	1	Cash	780	40
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J. R. JOHNSON

189—

189—

Jan.	1	Cash, \$41.20, \$49.47	90	67	Jan.	1	Cash	216	00
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GERMAN INSURANCE COMPANY.

189—

189—

Jan.	1	Cash	17,640	00	Jan.	1	Cash	18,000	00
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H. R. ARNOLD.

189—

189—

Jan.	1	Cash	916	00	Jan.	1	Cash	1,340	00
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JOHN RICHISON.

189—

189—

Jan.	1	Cash	394	90	Jan.	1	Cash	400	00
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GENERAL LEDGER.

STOCK.

189—

Jan.	1	Cash	147,649	76
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CASH.

189—

189—

Jan.	1	Receipts.....	171,884	34
Jan.	1	Payments	29,766	73

FOURTH NATIONAL BANK.

189—

189—

Jan.	1	Cash	2,447	60
Jan.	1	Cash	1,816	80

INTEREST AND EXCHANGE.

189—

Jan.	1	Cash	81	38
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BILLS DISCOUNTED.

189—

189—

Jan.	1	Cash	7,760	00
Jan.	1	Cash	1,600	00

DEPOSITS.

189—

189—

Jan.	1	Cash	19,559	13
Jan.	1	Cash	20,736	40

TRIAL BALANCE DEPOSIT LEDGER.

189—

517	56	Jan'y	1	C. Smith	780	40
90	67			J. R. Johnson	216	00
17,640	00			German Insurance Company	18,000	00
916	00			H. R. Arnold	1,340	00
394	90			J. Richison	400	00
19,559	13				20,736	40

TRIAL BALANCE GENERAL LEDGER.

189—

171,884	34	Jan'y	1	Stock	147,649	76
2,447	60			Cash	29,766	73
	00			Fourth National Bank	1,816	80
7,760	00			Interest and Exchange	81	38
19,559	13			Bills discounted	1,600	00
				Deposits	20,736	40
201,651	07				201,651	07

It will be noticed that the above trial balances are of the FOOTINGS OF THE DEBITS AND CREDITS, instead of the balances of each account, which enables us to find whether the error (if any) is on the debit or the credit side. That is, we can get a balance from each side (the debit or credit) separate, and moreover, WE CAN TELL WHETHER WE HAVE POSTED TOO MUCH OR TOO LITTLE. First, take the debit side of the Deposit Ledger. We see that the footing of the accounts, \$19,559.13, is equal to the debit side of the Deposit account in the General Ledger. We know thereby that the debit side is correct, without any reference to the credit side. Suppose that the footing, instead of being \$19,559.13, had been \$19,468.46. Then we would have seen at a glance that the amount was too small; that is, we had not posted enough to that side, and by deducting the footing, \$19,468.46, as *obtained*, from \$19,559.13 (as shown by the General Ledger it should be), we find the difference to be \$90.67, and by looking over the cash payments for such an amount, we find it in J. R. Johnson's account, and not posted. By correcting the error (posting the item), that side will balance. If, instead of the amount being too small, it should happen to be too large, say \$90.67 too much, then we look for that amount which has been posted twice. Of course, the credit side is to be balanced by the same principle and in the same manner as above described.

The same principle applies to getting a balance of the General Ledger, and it can be done in the same manner. Take, for instance, the debit side. The first thing is to find out how much has been posted to the debit side, except the debit to cash. The footing of all is \$201,651.07, less cash posting \$171,884.34, equals \$29,766.73. Now, we know this is correct, because the footing of cash on the "Cash Payments" is the same amount; and these must agree, as all the items that go to make up that footing have been posted to the debit side of the Ledger in items to their proper accounts.

PROCESS OF PROVING LEDGER BALANCE, DAILY.

GENERAL RULE.—Put the balances before posting in left-hand column, and balances after posting in right-hand column. *Exception*—In overdraft accounts, you simply reverse this order; put balances before posting in right hand column, and balances after posting in left-hand column.

		JANUARY 1, 189—	
		Bal. before Posting.	Bal. after Posting.
Charles Smith.....		360 00	428 35
J. R. Johnson.....		190 67	348 25
German Insurance Co.....		2,447 20	3 196 54
John Richardson.....		12 48	324 15
H. R. Arnold (O. D. before posting).....			28 16
“ (Cr. Bal. after posting).....			15 21
James Wheeler.....		56 42	78 24
Silas Wright.....		39 46	24 52
Geo. R. Smith (Cr. Bal. before posting).....		24 56	
“ (O. D. after posting).....		15 31	
Jas. D. Bateman.....		43 27	64 48
Deposit footings this day.....	4,626 72	3,189 37	4,507 90
Checks paid foot this day.....	3,308 19		3,189 37
Deposits to-day exceed amount of checks paid.....	1,318 53		1,318 53

Which must equal the difference between the balances of yesterday and the balances of to-day, as shown above.

It is customary to foot up the debit column of the Ledger, and then foot up the credit column, and deduct the total footing of the credits from the total footing of the debits, to obtain the balance. Thus a correct balance is obtained without doing *any footing whatever*, and with one-half the labor, and with one-tenth the risk of making mistakes.

TO CARRY BALANCES INSTEAD OF FOOTINGS.

A new and easy way to get and carry the balances of each account in the Deposit or Individual Ledger :

RULE.—Get the balance on each figure *separately*, commencing with the units of cents; subtract the less figure from the greater, and if the Credit figure is the largest, then *add* the difference to the last balance. If the Debit figure is the greater, then *subtract* the difference from the last balance. If the Debit and Credit figures are the *same*, then put down the corresponding figure in the last balance. To illustrate :

DEPOSIT LEDGER.

George R. Smith.

Date.	Debit.	Credit.	Balance.
May 4.....	372 02	728 67	356 65
“ 6.....	384 40	564 52	536 77
“ 7.....	564 52	384 40	356 65
“ 8.....	39 86	36 44	
“ 9.....	41 32	28 75	
“ 10.....	54 62	30 21	316 25

The first balance being 356.65, to get the second balance: the credit is 2 cents, debit is 0, difference 2 cents, and as credit is larger add it thus, $5+2=7$, the unit figure of the new balance. In tens of cents, Cr. is 5 and Dr. is 4, difference 1, then $6+1=7$, the second figure of the new balance. In units of dollars, Cr. is 4 and Dr. is 4, bring down old balance figure 6, as there was no change on that figure. In tens of dollars, Dr. is 8 and Cr. is 6, difference 2, and as the debit figure is greater, we now deduct and have $5-2+3$, etc.

When there has been several postings since the last balance, proceed as follows: Crs. $1+5+4=10$, and Drs. $2+2+6=10$; no change, bring down the last balance, 5 cents (nothing to carry); Crs. $2+7+4=13$, Drs. $6+3+8=17$, difference 4; deduct it and we have $6-4=2$, the second figure of the new balance, etc. It is not necessary to have a balance column, as we can put the balance under the credit column where we have been carrying the credit footing.

In large banking concerns, the Ledgers may be prepared in accordance with the following illustrations (which, for lack of space, are necessarily reduced), paged in folios instead of pages:

The two Ledgers—General and Deposit (or Individual Ledger)—are ruled differently, to suit the requirements of accounts.

Either of these Ledgers when ruled in proper proportions, will be, when closed, from twenty-two to twenty-four inches wide, and double that when open.

The ruling of the money columns are in six groups, each group arranged for one day's business, so that a folio contains a week's transactions of the several accounts entered thereon.

The rulings of the Deposit Ledger in the money columns for the balances on hand, the checks paid, deposits received, and the balances at the close of the day's business.

As no Cash Book or Journal is necessary, the items are posted direct from the checks paid and deposit slips, and at the close of each day's business the receiving and paying tellers, after balancing their books, make a statement of the results to the deposit book-keeper, who verifies it with the checks and deposit slips as entered, proceeds to close his Ledger by footing up the receipts and payments, and giving a statement of the same to the general book-keeper. He then extends the differences of the day's receipts and payments to the balance columns immediately under yesterday's balances, brought forward in red ink, adds them together, and transfers the results to to-morrow's balance column in red ink. In case of overdrafts use red ink, or have an extra column ruled for that purpose on the right-hand margin of each page.

The general book-keeper enters in the "cash" on his Ledger the different amounts of cash received or paid out during the day, and then posts to the debit and credit of Deposit account the total checks paid and deposits received, as shown by the statement handed him by the deposit or individual book-keeper. He then extends the balances of every account to the balance columns, but does not carry it to the column of the next day's work.

To reach the balance of an account (as shown in "cash"), add the receipts of to-day to the balance on hand yesterday, from which deduct to-day's payments, entering the result in to-day's balance column.

When these balance columns are footed they must agree, which constitutes the daily trial balance and proof of accuracy.

When overdrafts occur, to get the interest on the same at the end of the month, add together the amounts of each day's overdrafts, and divide the same as follows :

For 3 % divide by 12.

"	4	"	"	9.
"	6	"	"	6.
"	9	"	"	4.
"	12	"	"	3.

DEPOSIT LEDGER.

Names.	MONDAY, January 1st, 189—				TUESDAY, January 2d, 189—				WEDNESDAY, January 3d, 189—			
	Credit Balance.	Checks in Detail.	Total Checks.	Deposits.	Credit Balance.	Checks in Detail.	Total Checks.	Deposits.	Credit Balance.	Checks in Detail.	Total Checks.	Deposits.
Charles Smith.....		120 69 369 81 27 06	517 56	780 40	262 84				262 84			
J. R. Johnson.....		41 20 49 47	90 67	216 00	125 33				125 33			
German Insurance Co....			17,640 00	18,000 00	360 00				360 00			
H. R. Arnold			916 00	1,340 00	424 00				424 00			
John Richison			394 90	400 00	5 10				5 10			

GENERAL LEDGER.

Names.	MONDAY, January 1st, 189—				TUESDAY, January 2d, 189—			
	Debit Balance.	Credits.	Debit Balance.	Credit Balance.	Debits.	Credits.	Debit Balance.	Credit Balance.
Stock.....								
Cash		Receipts ..			1,000 00 100 00 50 00 5,000 00	2,500 00	145,767 61	
Fourth Nat. Bank.....		171,884 34		147,649 76				
Interest & Exchange.....		Payments.						
Bills Discounted		2,447 60	142,117 61	147,649 76				
Deposit		81 38	630 80					
		7,760 00	6,160 00					
		19,559 13		1,177 27				

In having a Ledger made to order, it will be necessary to reserve as many pages as will be required for the Bills Receivable and Payable accounts, and have them ruled as follows, which will not only serve as the regular account of each, but will leave a full record and disposal of each note upon the Ledger, with its payment entered on the same line on the opposite side of the account, so that each item is easily traced.

BILLS PAYABLE.

Mo.	Day.	How Paid.	Page.	Debit.	Mo.	Day.	To Whom Given.	Page.	Time.	When Due.												Amount. Cr.
										J	F	M	A	M	J	J	A	S	O	N	D	
					189		S. P. Deford & Co., 3d..		90 d.													326 00
					Jan. 9		Jos. Horne & Co.,		4 m.													131 50
					Jan. 9		Dickson & Sons,		30 d.													1,000 00
					Jan. 11		M. Heacock & Co., 9th..		60 d.													221 00
					Jan. 11		Real estate,		6 m.													500 00
					Jan. 11		Real estate,		12 m.													500 00
					Jan. 11		Real estate,		18 m.													500 00
					Jan. 12		Atlanta Fabric Co., 9th..		60 d.													168 75

BILLS RECEIVABLE.

Mo.	Day.	Name of Maker.	To Whose Order.	Time.	Page.	When Due.												Amount. Dr.	Mo.	Day.	How paid	Page.	Cr.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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It will be seen that each item is entered with the dates and names, without using dittos, and that as each note is paid or disposed of the corresponding entry is entered on the same line without regard to the dates being consecutive, so that the condition of each note can be seen at a glance. These accounts should never be ruled up and balances brought down.

When the page is full, and it becomes necessary to transfer the account to a new page, carry only the unpaid notes forward, and enter each one separately in the new account precisely as originally entered. In this way a comprehensive list of notes unpaid always ready.

LUMBER LEDGER.

Mo.	Day.	Description.	Page.	Feet.	Price	Page.	Dr.	Mo.	Day.	Description.	Page.	Cr.
Jan.	20	Clear Pine, O. B. 1 63, 4m		1,560,482	30 00		46,814 46	Feb.	9	Note Jan. 5, 115 days...		37,635 12
		Seconds " " 65, "		3,286,543	20		65,730 86			" " 120 " ...		37,635 10
		Culls " " 69, "		45,000	8		360 00			" " 125 " ...		37,635 10

or thus :

Mo.	Day.	Description.	Page.	Feet.	Price	Dr.	Cr.
Jan.	5	Clear Pine, O. B. 1 63, 4 mos., Str. "Thirlmore"		1,560,482	30 00	46,814 46	
		Seconds " " 65, "		3,286,543	20 00	65,730 86	
		Culls " " 69, "		45,000	8 00	360 00	
Feb.	20	Note dated Jan. 5, 115 days, at First National					37,365 12
		" " 120 "					37,365 10
		" " 125 "					37,365 10

BOTTLING WORKS OR BREWERIES.

Mo.	Day.	Description.	Page.	PACKAGES.				Dr.	Mo.	Day.	Description.	Page.	PACKAGES RETURNED.				Cr.
				Pts	Qts	$\frac{1}{8}$ Bbl	Bbl						Pts	Qts	$\frac{1}{8}$ Bbl	Bbl	
Jan.	20	2 doz. Qts., O. B. 1 28, "			2			3 00	Feb.	1	Cash		1	2			4 00.
		" " Pts., " " 42, "		1				1 00									
Feb.	1	" " Qts., " " 42, "						1 50									
		1 hf. Bbl., " " 42, "				1		8 00									

As the Barrel or Package account has been debited with the cost, these rulings are for the purpose of keeping a correct memorandum of all packages sent out and returned, and their value *not* included in the debits and credits.

Should any of the packages be held and not returned, then through the Journal charge the same at its valuation to the holder and credit the same to Barrel account.

In the variety of business done on contract, as pianos, furniture, real estate, rents, mortgages, etc., etc., the Ledger may be so ruled as to contain a full description of the contract.

Mo.	Day.	Description.	Page.	Dr.	Mo.	Day.	Description.	Page.	Cr.
Jan.	10	Steinway Piano, style B, No. 39,468, upright, 3 string, rosewood case, sold on contract, No. 1,101, \$100.00 down, balance in 28 monthly payments of \$12.50, interest at 7 per cent on balance from July 10 O. B., 5, 61	96	450 00	Jan.	10	Cash	45	100 00
					Feb.	8	"	52	12 50
					Mar.	11	"	61	12 50

OR

Mo.	Day.	Description.	Page.	Dr.	Cr.	Balance
Jan.	10	Piano (as above)		450 00		
	"	Cash			100 00	350 00
Feb.	8	"			12 50	337 50
Mar.	11	"			12 50	325 00

BUILDING AND LOAN CASH BOOKS.

The following outlines of illustrations are given as indications of what may be required. The nature of the business will suggest such alterations or additions as may be required.

The first illustration is ruled for pages instead of folios, with proper divisions of money columns in which to extend the proportions of the receipts to their proper fund as the cash is received, the totals of which are to be carried forward as each page is filled, so that the condition of each fund is shown at all times.

The "stock issued" columns should show the amount of each kind of stock in force. At the bottom of each page the amount of withdrawals (on that page) should be deducted from the totals, and the differences carried forward to the next page. Thus each page will show the amount of stock in force at that date, which should agree with the Stock Register book.

The second illustration is to be ruled as folios instead of pages, with the left-hand columns for credits and the right for debits, or may be reversed, if desirable for convenience in posting. The divisions of the receipts are made as soon as the totals are entered in the cash column, and the amount belonging to each fund is at once entered in its proper column, so that the condition of each fund can be had at any moment, and from which daily statements can be made.

The details of a well conducted building and loan company requires a number of books prepared especially for the purposes of the several divisions of the work, and should be kept with such accuracy as to enable the management to make a full statement of the affairs at any time. Daily statements are as necessary to the success of the business as in that of banking, etc., and, if properly systematized, such statements can be made with ease.

TRIAL BALANCE ERRORS,

AND THEIR RELATION TO MENTAL PROCESSES.

In reviewing an experience of fifteen or twenty years with accounts, the writer has been struck with the variety and vagary of errors encountered, and the seeming impossibility of classifying them under logical heads, or deducing general rules for their detection in all cases. Before entering into the realm of experiment and elucidation, it is best that we shall consider how errors are made and the why of their existence, as a skillful physician, to correctly diagnose a disease, investigates first its origin or the cause of its presence.

The difficulties of having a Ledger balance come off correctly the first time may be placed under two principal causes—errors existing in the Ledger and errors in taking off the balance. The frequency of errors will probably average about equal in the two classes, depending upon the mental capacity of the individual in any specified case.

While errors may be as frequent in the second class, they are by no means so difficult, as their field does not extend beyond the narrow path of footings and the trial-balance sheet or book. Considering as first in order the second class of errors, we note those of addition and subtraction, skipping an open account in the Ledger, entering an amount on sheet or trial-balance book different from amount in the Ledger, and incorrect reading of badly formed figures. *To prevent the last difficulty make plain figures.* The fourth will be considered under the head of posting errors in the first class of causes. To avoid the third is evidently a simple matter. Avoid crowding accounts together in the Ledger, make all headings distinct so as to catch the eye. The advice boiled down is, *be neat.*

Overcarefulness will sometimes occasion mistakes in both adding and subtracting. The mental impulse given by the mind to carrying a ten in adding a short column, the sum of which is over ten and less than twenty, occasionally seems to be retained and continued wrongly to the next column which may not aggregate ten. This class of errors is to be found in short columns, where the sums of the columns are under twenty, and alternate above and below ten. To obviate, one must cultivate confidence of mind. And this leads into the field of mental hygiene, where presently we shall also locate the remedies for some other classes of mistakes. Another phase of errors in performing addition is in adding two or more figures of the same value. In this the liability of error is in repeating a figure in the answer instead of writing the proper amount, thus: $\frac{9}{9}$ and carrying 1 instead of $\frac{9}{8}$. An error of this kind is attributable to the influence of the eye on the mind, and the finger muscles, which obey an unconscious impulse to copy the figures in the field of view when the mind for a

moment wanders from the work in hand. It is more liable to occur when the performer is exhausted, or when the mind is preoccupied by something of greater moment than the work being performed. The prevention for this is a healthy mental condition. We will turn now to the first class, or errors existing in the Ledger. Here is a wide field for exploration, branching out, as it does, through all the principal auxiliary books. Here are found errors of transplacement, transposition, omission, reflexion, arbitrarily charged postings, and the like. As to transplacement, many book-keepers are in the habit of omitting ciphers in the cents column. This gives an opening for a possible transplacement. Those who consider it useless work to fill in the ciphers, and, as a result, occasionally have a transplacement, are referred to pages 112 and 113 for fuller directions. The writer has yet to make his first transplacement, and he attributes his immunity to the fact of always filling in the ciphers. Transpositions are more troublesome. The mind, as the eye glances at the amount to be posted, instantly comprehends all the figures; and the hand, in writing the entry, under control of the mental impulse to copy them, is unable to keep up with the telegraph impulse, and loses portions of them, thus making a figure before its turn, which locates it one place too far to the left. At the same time the faculty of location, so called by phrenologists, trying to express the mentally known shape of the entire amount, causes the hand to form the dropped figure generally after the others are written. This brings the transposition amount frequently in the units and tens columns. A rule for obviating this class of difficulties is to take plenty of time to them, and do not crowd the hand. An easy method of holding the pen and making flowing graceful figures, assists the hand in making time in writing both words and figures. To avoid transposition, then, retard the brain and accelerate the hand. A style of easily made and graceful figures that might probably be imitated by book-keepers and office men to advantage may be found often in the rapid work of a sound telegraph operator. A neat and uniform plan of keeping the Journal and other auxiliary books will minimize the chances of omissions and doubtful postings. That, and having the mind on the work, will banish them altogether. To guard against reflexions, to rough hew a word for posting to wrong side of an account, requires concentration of mind and also intelligent knowledge of transactions, as set forth in the books. It is scarcely probable that a business man who does his own posting would make an error of this kind. His commercial instinct of debits and credits would forbid. The key-note here is intelligence. Of all the error family the purely logical and arbitrary posting of figures unlike those intended, as entering in the Ledger \$4.27 while in the Journal is \$4.53, are the worst. There may be a mental explanation of such errors, and if so it would be like this: The picture and form of some adjacent or foreign figure, perhaps the page number in the field of vision, will sometimes give an unconscious impulse to the finger muscles to form a different figure from the one intended. As such an error has no logical reason for its existence, there is no rule or logical figures that can determine its character before

hand. To guard against errors of this character requires the training of the eye and the introduction of a habit. In every case where figures are copied, as in posting or journalizing, the eye glances over the figures written after the writing is done, first at the figures last written, and then at those copied from. Any dissimilarity of outline in the two amounts, without the mind being conscious of the act, the eye is at once fastened upon the error and the mistake communicated to the mind. A special training of the eye in free-hand drawing or sketching is beneficial to an accountant, insuring, as it does, accuracy in judging similar forms. The constant application of this trained faculty of comparison by outline is likely to result in correct posting or copying of any sort; and the greater it is developed in the individual the less liable is he to errors of the class named.

CLASSIFICATION OF ERRORS.

FOOTINGS—POSTING—OMISSION IN POSTING—DOUBLE POSTING—POSTING ON THE WRONG SIDE OR TO TWO ACCOUNTS—TRANSPOSITION OF FIGURES IN POSTING—TRANSPACING OR MISPLACING FIGURES IN POSTING—CARRYING FORWARD FROM ONE PAGE TO ANOTHER—BRINGING DOWN BALANCES—CLOSING ACCOUNTS—FOOTING THE LEDGER
ACCOUNTS FOR TRIAL BALANCES—CALCULATING THE DIFFERENCES OF
ACCOUNTS FOR TRIAL BALANCES—TRANSFERRING THE AMOUNTS
TO THE TRIAL BALANCE—ENTERING AN AMOUNT ON THE
WRONG SIDE OF THE TRIAL BALANCE, ETC., ETC.

The book-keeper should make it a rule, until it becomes a habit, of testing every entry before it is journalized for posting, or, if the postings are to be made direct from the Purchase Sales Book or Journal, see that every item to be posted has been properly extended into the column to be posted as a total before commencing to post.

To facilitate the work of posting carefully enter the Ledger page of every item to be posted in the page columns of the books posted from. The index can then be laid aside, as the pages of the Ledger are much more easily found than to refer to the index for the page of each account to which the items are to be posted to. As an evidence that items are posted, place a check mark ✓ on the double line and close to the figures, as shown on page 25, which will be much more satisfactory than entering the Ledger page (as each posting is made) for the check mark, as there would be fewer books to handle and figures to look at than otherwise, and the chances of making errors are lessened. Errors in posting consist of omissions, posting on the wrong side, posting the same amount twice, etc., and can only be guarded against by concentration and care. Transposing figures in posting often occur, and also in carrying forward from one page to another, but are easily found. Misplacing of figures occur from leaving out the cyphers when the items are even dollars (a practice which should not be tolerated), but which is easily found with the rules as given. Errors are frequently made, especially by the inexperienced book-keeper, in bringing down balances, by placing the balance on the wrong side, omitting to bring it down, or in entering the wrong figures. In ruling up to close accounts

or to bring down balances, the book-keeper should not leave it until he knows beyond a doubt that the footings are absolutely correct, as an account erroneously closed is about the last place to look for an error, and are often found.

When the accounts of the Ledger are to be footed for the trial balance, it should be done carefully and correctly, and, if the trial balance is made up of differences, the greatest care should be given to ascertain the correct difference of each account, as an error in cases of this kind is hard to find, and requires the work to be gone over consecutively a second time, until the error is found. To guard against placing amounts on the wrong side in transferring from the Ledger to the trial balance, transfer every debit footing throughout the Ledger, and then pursue the same course with the credit footings.

If the book-keeper will carefully follow these suggestions, it will soon become a fixed and unconscious habit, and will be of service so long as he follows the business.

Errors are sometimes made when the book-keeper is careless about ruling up closed accounts. One side of the account may have but few entries, and in such cases a red line should be ruled across the vacant space to show that no entries are to be made therein. Without this ruled line one is apt to post items in the space above the double closing lines.

ERRORS IN TRIAL BALANCES.

Ledger Page.	Names of the Accounts.	LEDGER FOOTINGS.		LEDGER BALANCES.	
		Dr.	Cr.	Dr.	Cr.
	Stock account.....		500 00		500 00
	Merchandise account.....	585 47	842 19		256 72
	Cash Receipts and Payments account.....	1,523 82	1,421 95	101 87	
	Expense account.....	30 85		30 85	
	James Williams.....	154 00	464 07		292 07
	Bills Payable account.....		250 00		250 00
	Interest account.....	3 75	8 15		4 40
	Second National Bank account.....	1,166 25		1,166 25	
	James Wheeler.....	91 84		91 84	
	Silas Wright.....	88 41		88 41	
	George R. Smith.....	81 15	30 00	51 15	
	Stephen Baldwin.....	180 82	75 00	105 82	
	S. W. Cox.....	49 50		49 50	
	Charles Munson.....	80	462 50		382 50
	Does not balance by \$97.20.....	3,956 66	4,053 86	1,685 69	1,685 69
	Charles Munson's debit of 80 cents should be \$80.00, making a difference of.....	79 20			
	James Williams' credit should be \$446.07 instead of 464.07; the difference is.....		18 00		
		4,035 86	4,035 86		

Having purposely made an error, both in the Dr. and Cr. side of the above Ledger footings, in order to fully illustrate the application of the rules for detecting existing errors and ascertaining the exact amount each side is wrong, we present the following method of proving each side of the Ledger separately.

The Ledger is increased by posting to it from the auxiliary books, and is diminished by ruling up accounts to close or to bring down balances.

In many instances it is desirable to have a trial balance taken in balances instead of footings. The above is a simple and practical illustration of a trial balance, which fully satisfies the requirements in either case.

In footing up the above Ledger footings columns, we find that we are out of balance \$97.20. Without stopping to look for that amount, we will apply the proofs to ascertain on which side of the Ledger the error is concealed, and determine how much each side must foot:

Amount of footings of the previous trial balance.....	000 00	000 00
Amounts posted from the Journal to their several accounts.....	629 57	629 57
Amounts posted from the Sales Book to their several accounts and the total credited to Mdse	630 72	630 72
Amounts posted from the Cash Book to their several accounts	1,523 82	1,421 95
Amount posted from Cash Book to Cash Receipts and Payments account	1,421 95	1,523 82
The trial balance will foot (unless some accounts have been ruled out)	4,206 06	4,206 06
Deduct the amount of accounts which have been ruled out*.....	170 20	170 20
The trial balance must foot.....	4,035 86	4,035 86

30 00
15 20
50 00
36 50
20 00
18 50
170 20

*Referring to the different accounts on the Ledger, we find that it has been lessened by ruling up accounts to close, or to bring down balances, 170.20.

A memorandum of which is easily kept on the fly leaf of the Ledger or elsewhere.

As neither the Dr. nor Cr. side agree with this, we find that both sides are wrong, and that instead of looking for \$97.20, we must look for \$79.20 of a shortage on the Dr. side and \$18.00 over on the Cr. side.

We now know what amount is to be corrected on each side of the trial balance.

We will apply the rules (see page 110) to determine whether the error on the Dr. side is one of transposition, transplacement or otherwise.

Take the figures of the error, \$79.20, and foot them horizontally, thus: 7 and 9 and 2 are 18. As 18 can be divided by 9, we conclude that it is an error of transposition or transplacement.

Deduct from imaginary ciphers	00
The cents of the error	79 20
Leaves.....	\$ 80

Which, being changed to dollars, we know that we have transferred \$80.00 as 80 cents. This is a transplacement. By referring to the trial balance, we find that the only 80 in the Dr. column occurs in Charles Munson's account, and upon turning to the Ledger we find that his debit is \$80.00 instead of 80 cents, showing the necessity of using the ciphers in all cases. Make this correction and the total footing will agree with the proof.

The credit side is found to be \$18.00 in excess of the proof. Applying the same rules, we find that this is not an error of transplacement, as there are no figures that can be transplaced which would make that amount. It must there-

fore be a transposition. 18 being divided by 9=2. Now follow down the credit column and find which figure in the dollar column is two less than the figure (on the same line) in the tens of dollars column, and we find that James William has a credit on the Ledger of \$446.07, which has been transposed (in transferring it to the trial balance) to \$464.07. When this correction is made both sides of the trial balance will be equal, and agree with the proofs, which proves the books to be mathematically correct.

Having proven the Ledger footings to be correct, it is but a small matter to deduct the smaller from the larger amounts, and transfer the differences to the Dr. or Cr. columns of the Ledger balances, all being on the same line. The footings of this trial balance of Ledger footings are to be used to obtain the proofs for the next trial balance.

In many instances book-keepers do not keep the cash account on the Ledger. In that case, it is only necessary to use the totals of cash receipts and cash payments once in obtaining the proofs, instead of twice, as on pages 69 to 71, for the reason that when a Cash Receipts and Payments account is kept on the Ledger the substance of the Cash Book is posted twice, thus: the cash received and paid out during the month is posted in items to the several accounts to which they belong, and at the end of the month the aggregate is posted to Cash Receipts and Payments account. Keeping a Cash Receipts and Payments account on the Ledger is preferable, for two reasons: First, the Ledger should contain everything pertaining to the assets and liabilities of the business. Second, to charge Cash Receipts and Payments with the total receipts at the end of the month and credit the same account with the total payments, instead of reversing the Cash Book to debit cash for receipts, etc. It is much more natural to post from a left-hand column in the Cash Book, Sales Book or Journal to the left-hand column in the Ledger, and from a right-hand column to a right, than to reverse in one and post direct from another. The only single instance of reversing is in posting the monthly totals of the Cash Book, and this one reversal debits cash for receipts, and credits cash for payments.

An occasional book-keeper objects to taking trial balances in Ledger footings, under the impression that it would require additional time and labor. One thorough test from a Ledger containing, say, 6,000 accounts, would rapidly dispel such an illusion, and establish the fact that a trial balance of Ledger footings can be taken and proven to be correct in one-half the time that it can be done in Ledger differences without proofs of accuracy (assuming that each trial balance would agree upon the first trial).

Comparisons.

Let us compare the two methods.

The footing of each side of every account (in pencil) is a necessity in every case. In this neither method has the advantage.

Taking trial balances in differences necessitates the making of nearly 6,000

separate calculations (either mentally or by figuring) previous to transferring to the balance sheet. Taking the same trial balance in Ledger footings require no calculations whatever, but are simply transferred to the balance sheet, which is purely mechanical work. This plan has largely the advantage both in labor and lessening the liability to make errors, as in cases where both sides are wrong, the verifying of the footings of the Ledger and the transfers to the trial balance is easy work, while taking the trial balance in differences may require going over the entire 6,000 separate mental calculations again. In this the advantage is in favor of the Ledger footings process.

Failing to discover the errors in either case, the only resource left for the trial balance of differences is to laboriously check every posting, both debit and credit, from one to six times, until the mistakes are discovered, and even then have no evidences of accuracy. Taking trial balances in Ledger footings as herein illustrated requires very little or no checking, for the reason that we first show on which side the error is concealed; and if both sides are wrong, we can at once determine how much of an error is contained in the Dr. and Cr. sides separately (see trial balance on page 109). Then we know what to look for, and which side it is on. Thus it becomes an easy matter to discover any kind of an error. When this is accomplished our trial balance is absolutely correct. In this the trial balance of Ledger footings has every advantage.

After perfecting the trial balance of Ledger footings, should the management require a trial balance of differences, it is far less laborious to make the calculations on the balance sheet, and transfer the differences to the adjoining columns (where all of the figures concerned are on the same line), than to turn every page of the Ledger, and mentally, or with pencil, subtract a sum on the upper right corner from an amount in the opposite column, probably near the bottom of the page.

Should a mistake be made in making the calculations on the balance sheet, it is an easy matter to go over it again; but if a mistake is made in taking the trial balance in differences (from the Ledger), it is necessary to again turn every page of the Ledger until the error is discovered.

Ledger Page.	Names of the Accounts.	LEDGER FOOTINGS.		LEDGER BALANCES.	
		Dr.	Cr.	Dr.	Cr.
	Stock account.....		500 00		500 00
	Merchandise account.....	585 47	842 19		652 72
	Cash Receipts and Payments account..	1,523 82	1,421 95	101 87	
	Expense account.....	30 85		30 85	
	James Williams.....	154 00	446 07		292 07
	Bills Payable account.....		250 00		250 00
	Interest account.....	3 75	8 15		4 40
	Second National Bank account.....	1,196 25	30 00	1,166 25	
	German Insurance Co.....	15 20	15 20		
	James Wheeler.....	141 84	50 00	91 84	
	Silas Wright.....	124 91	36 50	88 41	
	George R. Smith.....	81 15	30 00	51 15	
	Stephen Baldwin.....	200 82	195 00	105 82	
	S. W. Cox.....	68 00	18 50	49 50	
	Charles Munson.....	80 00	462 50		382 50
		4,306 06	4,306 06	1,685 69	2,081 69
	Error in posting \$195.00 to the credit of S. Baldwin's account, instead of \$95.00.....		100 00	Error in Mdse. Cr. of 396 00	
	Error in footing the Dr. column.....	100 00		1,685 69	1,685 69
		4,206 06	4,206 06	Above totals are to be used in obtaining your next trial balance.	

The above trial balance of Ledger footings (which should always be taken preparatory to ruling up the accounts on the Ledger) is given to demonstrate how an error can exist on one side of the Ledger, and how a mistake of a like amount may be made in footing the opposite side of the trial balance, and yet have both sides apparently equal in amount.

We have purposely made an error to demonstrate how a mistake of that kind may occur, and how it can always be discovered.

The footings of the trial balance show that each side of the Ledger has been increased to \$4,306.06. Let us now apply the proofs:

Amount of previous trial balance	0,000 00	0,000 00
Amounts posted from the Journal, in items, to the Ledger.....	629 57	629 57
“ “ “ Sales Book “ “ “	630 72	630 72
“ “ “ Cash Book “ “ “	1,523 82	1,421 95
Month's totals of the Cash Book posted to the Cash Receipts and Payments account, in the Ledger.....	1,421 95	1,523 82
The trial balance must foot, Dr. and Cr.....	\$4,206 06	\$4,206 06

No accounts having been ruled up, the Ledger has not been reduced, and so there is nothing to deduct.

The trial balance show the books to be apparently correct, as both sides seemingly foot alike (\$4,306.06); but the proofs show that \$4,206.06 is the amount each side must foot, and that there is an error of \$100.00 each side. On again footing the columns of the trial balance, we find that an error of \$100.00 has been made in footing the debit column, which, when corrected, will agree with the proof of the debtor side. We now know that the error is on the credit side. There being no figures by which being transposed or transplated, would

make the amount of the error, we will look for such amounts in the credit columns as would contain \$100.00, and we find that on July 6 we have posted from the Cash Book to the credit of S. Baldwin's account, \$95.00 as \$195.00, which being correctly entered on the Cash Book, the cash is not affected. When this correction is made, both sides of the trial balance will agree, and are mathematically proven to be correct.

Suppose in the absence of this proof, the Ledger is allowed to remain as it was, with the error undiscovered, Mr. Baldwin desiring to close up his account, your claim against him would be \$5.82 instead of \$105.82. Settlement would be made accordingly, and you would suffer a loss of \$100.00 without knowing it.

This kind of an error occurs more frequently than book-keepers are aware of, for the reason that they are never discovered except by the remotest accident, or where a customer conscientiously refuses to take advantage of a mistake made in his favor.

Having thus obtained a perfect trial balance, we proceed to rule up all of the accounts in the Ledger and bring down the existing balances, and then transfer the differences to this same balance sheet in the Ledger balances column. Upon footing it we find the debit side (\$1,685.69) to be correct, while the credit side has an excess of \$396.00 (purposely made to illustrate another kind of transposition in transferring from the Ledger to the balance sheet). We determine its character as before—3 and 9 and 6 are 18; 18 can be divided by 9, therefore it is a transposition, so we look for the figures that being transposed would make the amount of the error. Leave out the middle figure 3 (9×6 , $36 \div 9 = 4$). We will now follow down the credit column of the Ledger balances and see which first figure in the dollar column is 4 less than the third figure of the dollar column on the same line. We find the credit balance of merchandise is \$652.72, and upon referring to the Ledger we see that we have transferred \$256.72 as \$652.72. Correct this, and both sides of the trial balance of Ledger balances will be equal. These footings are the ones to be used in obtaining the proofs for our next trial balance, as all of the accounts on the Ledger are supposed to have been ruled up and existing balances brought down.

Such errors may occur in posting, bringing down balances, carrying forward from page to page, transferring from one book to another, etc., etc., and are exceedingly difficult to find, as, for instance, the amount \$396.00 is not to be found on any of the books as \$396.00, but has been caused by other figures. When these simple rules are applied, this class of errors becomes the easiest of solution.

A trial balance in differences without these proofs may show the books to be out of balance, say \$10.00. The book-keeper, not being able to show which side of the Ledger is wrong, does not know but that it involves a much larger amount. But by ascertaining from this method that one side of the trial balance is right, he knows then that the error of \$10.00 is in the opposite side, and that it involves just the amount of the error and no more.

RULES.

TRANSPPOSITION OF FIGURES.

To Find Whether the Error is the Result of a Transposition of Figures, and if so, Determine what the Figures are which have been Transposed.

Now all errors, when the figures of which are added together amounts to 9 or nines, may be a transposition of figures, and unless the amount is 9 or nines we may be certain it is not a transposition. Take the sum of \$31.50, for instance; we add 3 and 1 and 5=9. The question, therefore, is, what amount posted into the wrong columns would produce this error?

RULE.—Divide the error by 9, and the quotient is the only amount that could produce the given error in that way.

To explain: \$31.50 divided by 9 is \$3.50, and \$35.00 posted as \$3.50 would show a difference of \$31.50; therefore we would look for 35 cents posted as \$35.00. This kind of an error is quite likely to occur, generally, however, with one figure instead of three. It may happen in footing any column of the Ledger, or any of the books posted into it, or even in footing the trial balance. Suppose, for instance, that the Ledger footing of debits showed \$54.00 too much; 5 and 4 are 9, which shows it may be a transposition. Now for the figures that have been transposed; \$54.00 divided by 9 is 6, and as the Ledger has too much posted to it, \$6.00 has been posted or footed as \$60.00.

There is another kind of transposition where both figures have been transposed. For instance, take this same error of \$54.00 too much again, to find what figures being both transposed will produce it.

RULE.—Divide the error by 9, and the quotient is equal to the left-hand figure, less the right-hand one.

Now, \$54.00 divided by 9 equals 6; therefore 71, 82, or 93 are the only numbers of two figures where the left-hand figure exceeds the right by 6. If the error (\$54.00 over) is produced by both figures being transposed, we may be certain it is one of the above changed from 17, 28, or 39; but if the Ledger footing, instead of being too much had been found to be too small, then the larger number has been transposed to the smaller one. In case there is a transposition of three figures, then the middle figure of the error will always be a 9, and the two outside figures will, when added together, always amount to a 9. Thus, 125 transposed is 521; the difference is 396, and that is the apparent error. Now, to find the real error, pay no attention to the middle figure, but place the first and last figures together, thus, 36, and dividing by 9 we have 4, and then if the error is an excess, or too large, we know that the true error, or the real figures which have been transposed, are such that the left-hand figure exceeds the right-hand one by 4, and must be 51, 62, 73, 84, or 95; but the quickest way to find the error is to look through the books we have posted from

for a number having three figures where the left-hand one exceeds the right by 4.

Where errors of cents occur, as .09, .18, .27, .36, .45, .54, .63, .72 or .81, the only figures which could make such sums, would be found in transposing the following amounts :

10, 21, 32, 43, 54, 65, 76, 87, 98,	if transposed would make an error of 9 cents.				
20, 31, 42, 53, 64, 75, 86, 97,	"	"	"	"	18 "
30, 41, 52, 63, 74, 85, 96,	"	"	"	"	27 "
40, 51, 62, 73, 84, 95,	"	"	"	"	36 "
50, 61, 72, 83, 94,	"	"	"	"	45 "
60, 71, 82, 93,	"	"	"	"	54 "
70, 81, 92,	"	"	"	"	63 "
80, 91,	"	"	"	"	72 "
90	transposed as 09 would make an error of 81 "				

If the above amounts were dollars, the results would be in dollars instead of cents.

When the sum of all the figures of the error is nine or nines, the error may be a transposition of figures, and, indeed, unless the sum is nine or nines, we may be certain that it is not a transposition.

TRANSPACEMENTS (OR MISPLACING) OF FIGURES.

Transplacements occur more frequently where the cents of the sums to be transferred are cyphers, and which, for the sake of economy, have not been inserted. Unless the mind is concentrated on the work, the book-keeper is liable to transfer the amount, one, *two* or more spaces to the right, as \$24 for \$240, \$24 as 24 cents, etc., and especially when there are no rulings or dotted divisions of cents and hundreds.

Another cause of errors, which perhaps does not occur so frequently, is in transferring or posting amounts ending with one cypher, which he omits in transferring. This would place the amount *one* space to the right.

It is possible for an amount to be placed either one or two spaces to the left. This would be more liable to occur where there are large sums, consisting of many cyphers among smaller ones, than where the amount is composed of different figures. If the amounts to be transferred are placed in ruled dollars and cents columns, or, in the absence of such rulings, the book-keeper will properly dot the divisions between the cents and dollars, and also for the hundreds (a habit which should be early formed and rigidly adhered to), the transfers would be done more easily, and would lessen the risk of making errors.

The following illustrations of transplacements in transferring from one column or book to another, is given to show how such errors are easily made and easily found.

In the first column, without cyphers, are the amounts to be posted, and are without rulings or dotted divisions of cents and hundreds.

1st.	2d.	3d.	4th.	5th.	6th.
43268	432 68	432 68	432 68	432 68	432 68
2835	28 35	28 35	28 35	28 35	28 35
562921	5,629 21	5,629 21	5,629 21	5,629 21	5,629 21
440	4 40	440 00	440 00	440 00	44 00
926	9 26	9 26	9 26	9 26	9 26
10000	10,000 00	10,000 00	100,000 00	10,000 00	10,000 00
69350	693 50	693 50	693 50	693 50	693 50
268100	2,681 00	2,681 00	2,681 00	2,681 00	2,681 00
32718	327 18	327 18	327 18	327 18	327 18
53690	536 90	536 90	536 90	53 69	536 90
164285	1,642 85	1,642 85	1,642 85	1,642 85	1,642 85
110	110 00	110 00	110 00	110 00	110 00
100000	100,000 00	10,000 00	100,000 00	100,000 00	100,000 00
228	228 00	228 00	228 00	228 00	228 00
1246	1,246 00	1,246 00	1,246 00	1,246 00	1,246 00
124,004 93	123,569 33	34,004 93	214,004 93	123,521 72	123,608 93
	Error, 435 60	Error, 90,000 00	Error, 90,000 00	Error, 483 21	Error, 396 00
	124,004 93	124,004 93	124,004 93	124,004 93	124,004 93

To ascertain what figures to look for which make the error.

RULE 1.—Divide the amount of the error by 9. The result will be the amount placed too far to the left, and which will be found in some amount in the column posted from.

RULE 2.—Deduct the cents of the errors from ciphers. The result will be the amount which has been placed in posting two spaces to the left.

The amount to look for will be found in every instance by one or the other of the above processes.

Illustrations of ascertaining the figures that, being transplaced, would make the errors.

In the second column is an error of 435.60, made in transferring from the first column, which, if divided by 9 gives 48.40, but, as there is no such amount in either column, we

From ciphers..... 00

Deduct the cents of the error..... 60

We now look in the first column for \$40, and we find that in the absence of ciphers that 440.00 has been posted as 4.40. In comparing the two columns to find the error, these two amounts, showing the same numerals, would be passed over as correct from the similarity of appearance.

In the third column is an error of \$90,000.00 which would be easily found, as it occurs only in the few large amounts, but to find the figures by the rule.

Divide the error by 9)90,000.00(10,000.00. Therefore, we look in the first and third columns for that amount, and find that 100,000.00 has been transferred as 10,000.00. This kind of an error occurs in consequence of seeing so many consecutive ciphers as to be confusing.

In the fourth column an error of the same amount occurs by transferring too many ciphers instead of too few, and is found by the same process.

In the fifth column is an error of 483.21, which, being divided by 9, gives

53.69, and upon referring to either the first or fifth columns for any sum containing the numerals, we find that 536.90 has been posted as 53.69.

The sixth column contains an error of 396.00, which, being divided by 9, gives 44. We look in the first or sixth column for any sum which contains the numerals 44, and find that \$440.00 has been posted as \$44.00.

00

An error of \$19 80

Look for..... \$20 as 20 cents.

00

An error of \$27 72

Look for..... \$28 as 28 cents.

00

An error of \$70 29

Look for..... \$81 as 81 cents.

An error of \$9 90 look for \$10 00

10 89	11 00
11 88	12 00
12 87	13 00
13 86	14 00
14 85	15 00
15 84	16 00
16 83	17 00
17 82	18 00
18 81	19 00
19 80	20 00
20 79	21 00
21 78	22 00
22 77	23 00
23 76	24 00
24 75	25 00
25 74	26 00
26 73	27 00
27 72	28 00
28 71	29 00
29 70	30 00
30 69	31 00
31 68	32 00
32 67	33 00
33 66	34 00
34 65	35 00
35 64	36 00
36 63	37 00
37 62	38 00
38 61	39 00
39 60	40 00
40 59	41 00
41 58	42 00
42 57	43 00
43 56	44 00
44 55	45 00
45 54	46 00
46 53	47 00
47 52	48 00
48 51	49 00
49 50	50 00
50 49	51 00
51 48	52 00
52 47	53 00
53 46	54 00
54 45	55 00

00

An error of \$92 07

Look for..... \$93 as 93 cents.

00

An error of \$59 40

Look for..... \$60 as 60 cents.

00

An error of \$82 17

Look for..... \$83 as 83 cents.

An error of \$55 44 look for \$56 00

56 43	57 00
57 42	58 00
58 41	59 00
59 40	60 00
60 39	61 00
61 38	62 00
62 37	63 00
63 36	64 00
64 35	65 00
65 34	66 00
66 33	67 00
67 32	68 00
68 31	69 00
69 30	70 00
70 29	71 00
71 28	72 00
72 27	73 00
73 26	74 00
74 25	75 00
75 24	76 00
76 23	77 00
77 22	78 00
78 21	79 00
79 20	80 00
80 19	81 00
81 18	82 00
82 17	83 00
83 16	84 00
84 15	85 00
85 14	86 00
86 13	87 00
87 12	88 00
88 11	89 00
89 10	90 00
90 09	91 00
91 08	92 00
92 07	93 00
93 06	94 00
94 05	95 00
95 04	96 00
96 03	97 00
97 02	98 00
98 01	99 00
99 00	100 00

INTEREST.

Every business man, book-keeper, clerk, or farmer should have a simple and practical method of calculating interest so firmly fixed in his mind as to be instantly available when most needed.

Every counting house should have a correct and plain set of interest tables available for instant use.

There are many processes of reckoning interest, simple and complex, and while the latter often present features that are good, yet, in the absence of constant practice, the special features are forgotten, while a plainer method is always remembered.

A number of processes are submitted, from which selections may be made, for memorizing.

The 6 per cent. rate seems to be the easiest basis for reckoning interest, to which $\frac{1}{6}$ added gives 7 per cent, or deducted for 5 per cent, etc.

Other commendable methods reckon the interest at 1 per cent, and then multiply by the rate.

The custom prevails of reckoning interest on the basis of 30 days for a month, or 360 days for a year, but absolute equity would be 365 days.

In the processes submitted (unless specified) 360 days will be considered as a year, and 6 per cent used to illustrate, from which $\frac{1}{6}$ for each one per cent rate less must be deducted for 5, 4, 3, 2 or 1 per cent, and add $\frac{1}{6}$ for each 1 per cent rate greater—7, 8, 9, 10 per cent, etc., etc.

Example—Common Method.

Principal, \$150. 9 mos. and 10 days.

Rate per cent, 6

12) 9.00 Int. for 1 year.

30) .75 " " 1 mo. $\times 9 = 6.75$

2½ " " 1 day $\times 10 = 25$

\$7.00 int.

To get the interest for the same time at any rate per cent.

\$150.00, 9 months and 10 days.

I 50.	00	separated by lines or decimals, it gives the interest at 1 per cent for 1 year.
12	50	is $\frac{1}{12}$ of 1.50 (the interest for 1 year), interest for 1 month.
1 00	00	is the interest for 1 month, .12.50 multiplied by the remaining 8 months.
	42+	is $\frac{1}{30}$ of .12.50 (the interest for 1 month), or the interest for 1 day.
	3 78	is the interest (.42+) for 1 day multiplied by the remaining 9 days.
I 16	70	is the interest on \$150 for 9 months and 10 days at 1 per cent, which when multiplied by any rate per cent, will give the desired result. This is easily learned, easily worked, and will be found to give the results with accuracy.

\$1,568.45, 3 years 11 months and 19 days.

15.68.45 is the interest for 1 year }
 31.36.90 is " " " 2 " } 3 years.

1.30.70+ is $\frac{1}{12}$ of 1 year's interest—15.08.45, or the interest for 1 month.

13.07.00 is 1 month's interest—1.30.70, multiplied by the remaining 10 months.

4.36+ is $\frac{1}{30}$ of 1.30.70 (the interest for 1 month), the interest for one day.

.34.88 is 4.36+ the interest for 1 day multiplied by 8 days.

.43.60 is " " " " 1 " " " the remaining 10 days.

65.25.89+ is the interest on \$1,568.45 at 1 per cent for 3 years 11 months and 19 days, which
 7 if multiplied by the rate per cent, gives the required interest.

\$456.81.23+

It will be seen that to do the work mentally, the 19 days are divided by 8 and 10. The first to get the interest for 1 month to be multiplied by 8 and 10 for the interest for the 18 days—instead of using 8 and 10, 9 can be used twice. After memorizing the process, all of the figuring necessary for a difficult example would be,

\$3,965.81, 4 years 7 months 21 days, at 8%

39.65.81
118.97.43
3.30.48
19.82.88
.11.01
2.20.20
184.07.81
8%

\$1,472.62.48 the required interest.

To get the interest at any rate per cent from any 6 per cent process.

For 7 per cent	add to the 6 per cent interest obtained	$\frac{1}{6}$
For 8	" " " " "	$\frac{1}{3}$
For 9	" " " " "	$\frac{1}{2}$
For 10	" " " " "	$\frac{2}{3}$
For 5	deduct from " " "	$\frac{1}{6}$
For 4	" " " " "	$\frac{1}{3}$
For 3	" " " " "	$\frac{1}{2}$
For 2	" " " " "	$\frac{2}{3}$

Multiplying the dollars by the rate per cent, and dividing the result by 360, will give the interest for one day.

Multiply the number of days by the interest for one day, for the interest required.

Example—\$150.00, 9 mos. 10 ds., at 6 per cent.

\$150 $\times$ 6 per cent = 900 $\div$ 360 ds. = $2\frac{1}{2} \times 280$ ds. = \$7.00 interest due.

Multiplying the dollars by the days on which interest is required.

Multiply the result by $1\frac{2}{3}$ for the interest due.

Example—\$150.00, 9 mos. 10 ds., at 6 per cent.

280 ds. $\times$ \$150. = 42000 $\times$ $1\frac{2}{3}$ = \$7.00, the interest at 6 per cent.

or \$567.85, 3 yrs. 4 mos. 20 ds., 6 per cent.

1220 ds. $\times$ \$568. = 692960 $\times$ $1\frac{2}{3}$ = \$115.49, the interest required.

Multiplying the dollars by one-half the number of months and fractions, will give the interest at 6 per cent.

Example—\$150.00, 9 mos. 10 ds., 6 per cent.

\$150. $\times 4\frac{2}{3}$ (one-half the number of months and days) = \$7.00, the interest at 6 per cent.
or \$861.95, 1 yr. 11 mos. 20 ds.

\$862. $\times 11\frac{2}{3}$ (half the months and days) = \$102.00, the interest at 6 per cent.

Multiplying the dollars by the number of days, dividing the result by 60, will give the interest at 6 per cent.

Example—\$150.00, 9 mos. 20 ds.

\$150. $\times 280$ ds. = 42000 $\div 60$ = \$7.00, the interest at 6 per cent.

or \$861.95, 1 yr. 11 mos. 20 ds.

\$862. $\times 710$ ds = 612020 $\div 60$ = \$102.00, the interest at 6 per cent.

To get the interest at 6 per cent on any amount,

For 30 days point off two spaces from the right and divide by $\frac{1}{2}$.

For 60	"	"	"	"	"	"
For 90	"	"	"	"	"	add $\frac{1}{2}$.
For 4 months	"	"	"	"	"	multiply by 2.
For 5	"	"	"	"	"	" 2 $\frac{1}{2}$.
For 6	"	"	"	"	"	" 3.
For 7	"	"	"	"	"	" 3 $\frac{1}{2}$.
For 8	"	"	"	"	"	" 4.
For 9	"	"	"	"	"	" 4 $\frac{1}{2}$.
For 10	"	"	"	"	"	" 5.
For 11	"	"	"	"	"	" 5 $\frac{1}{2}$.

Any sum multiplied by the following figures will give the interest at the rate of 6 per cent for 1 day:

For 30 days, multiply the amount by $\frac{1}{2}$ per cent.

" 60	"	"	"	"	"	1	"
" 90	"	"	"	"	"	1 $\frac{1}{2}$	"
" 4 mos.,	"	"	"	"	"	2	"
" 5	"	"	"	"	"	2 $\frac{1}{2}$	"
" 6	"	"	"	"	"	3	"
" 7	"	"	"	"	"	3 $\frac{1}{2}$	"
" 8	"	"	"	"	"	4	"
" 9	"	"	"	"	"	4 $\frac{1}{2}$	"
" 10	"	"	"	"	"	5	"
" 11	"	"	"	"	"	5 $\frac{1}{2}$	"

or

For 4 per cent, multiply the amount by $1\frac{1}{3}$, will give the interest for 1 day.

" 5	"	"	"	"	"	1 $\frac{7}{18}$	"	"
" 6	"	"	"	"	"	1 $\frac{2}{3}$	"	"
" 7	"	"	"	"	"	1 $\frac{5}{9}$	"	"
" 8	"	"	"	"	"	2 $\frac{1}{3}$	"	"
" 9	"	"	"	"	"	2 $\frac{1}{2}$	"	"
" 10	"	"	"	"	"	2 $\frac{2}{3}$	"	"
" 11	"	"	"	"	"	3 $\frac{1}{3}$	"	"
" 12	"	"	"	"	"	3 $\frac{1}{2}$	"	"
" 13	"	"	"	"	"	3 $\frac{5}{6}$	"	"
" 14	"	"	"	"	"	3 $\frac{7}{6}$	"	"
" 15	"	"	"	"	"	4 $\frac{1}{3}$	"	"
" 1 $\frac{1}{2}$	"	"	"	"	"	5	"	"

When the interest is obtained by either of the foregoing 6 per cent processes, it is only necessary to proceed as follows to get the interest at any desired rate per cent :

For 7 per cent, add to the interest obtained at 6 per cent,	$\frac{1}{8}$.
“ 8 “ “ “ “ “ “	$\frac{1}{8}$.
“ 9 “ “ “ “ “ “	$\frac{1}{4}$.
“ 10 “ “ “ “ “ “	$\frac{2}{8}$.
For 5 per cent, deduct from “ “ “	$\frac{1}{8}$.
“ 4 “ “ “ “ “	$\frac{1}{8}$.
“ 3 “ “ “ “ “	$\frac{1}{4}$.
“ 2 “ “ “ “ “	$\frac{2}{8}$.

Multiply the dollars by the number of months (the product will be cents); add the product of the principal, multiplied by $\frac{1}{3}$ of the number of days (which will be mills). The sum of these two products will be the interest at 12 per cent. To get the interest

At 6 per cent, divide the 12 per cent product by	$\frac{1}{2}$.
At 7 “ “ “ “ “	$\frac{7}{12}$.
At 8 “ “ “ “ “	$\frac{2}{3}$.
At 9 “ “ “ “ “	$\frac{3}{4}$.
At 10 “ “ “ “ “	$\frac{5}{6}$.

Example—\$150.00, 9 mos. 10 days.

\$150.	\$150.
$3\frac{1}{3}$ ($\frac{1}{3}$ of the days)	9 (months)
500 mills	1350
	500 mills added

\$14.00, the interest at 12 per cent.

$\frac{1}{2}$ of which is	7.00,	“	6	“
$\frac{7}{12}$ “	8.17,	“	7	“
$\frac{2}{3}$ “	9.33,	“	8	“
$\frac{3}{4}$ “	10.50,	“	9	“
$\frac{5}{6}$ “	11.67,	“	10	“

INTEREST TABLES.

There are many good interest tables published, and accurate tables should be found in every counting house.

The tables which give the result required on one line of one page are very desirable, and should be found in every office.

The following illustration of tables will show that the interest may be had on any sum from \$1.00 to \$9,000 at 6, 7 or 10 per cent on the same line and page. The figures at the head of each column represent the dollars, and the smaller figures immediately underneath, the interest.

The first column, 1,000, is used for \$1, \$10, \$100 or \$1,000.

The second “ 2,000, “ “ 2, 20, 200 or 2,000.

The third “ 3,000, “ “ 3, 30, 300 or 3,000, etc., etc.

So that each column contains the interest desired on any sum within the limit.

10, 7 AND 6 PER CENT.

Days.	1000	2000	3000	4000	5000	6000	7000	8000	9000	Days.
1 { 10 7 6	1000 238 117	2000 56 833	3000 838 560	4000 1178 67	5000 1397 83	6000 1677 100	7000 1946 117	8000 2223 133	9000 2500 150	1 { 10 7 6
2 { 10 7 6	56 833	111 7867	167 1100	222 1138	278 1167	333 200	389 233	444 267	500 300	2 { 10 7 6
3 { 10 7 6	83 60	167 110	250 1150	333 200	417 250	500 300	583 350	667 400	750 450	3 { 10 7 6
4 { 10 7 6	111 67	222 1138	333 200	444 267	556 333	667 400	778 467	889 533	1000 600	4 { 10 7 6
5 { 10 7 6	139 83	278 167	417 250	556 333	694 417	833 500	972 583	1111 667	1250 750	5 { 10 7 6
6 { 10 7 6	1000 1167 110	2000 2333 200	3000 3500 300	4000 4667 400	5000 5333 500	6000 6000 600	7000 7000 700	8000 8000 800	9000 9000 900	6 { 10 7 6
7 { 10 7 6	194 1117	389 233	583 350	778 467	972 583	1167 700	1361 817	1556 933	1750 1050	7 { 10 7 6
8 { 10 7 6	222 1138	444 267	667 400	889 533	1111 667	1333 800	1556 933	1778 1067	2000 1200	8 { 10 7 6
9 { 10 7 6	250 1150	500 300	750 450	1000 600	1250 750	1500 900	1750 1050	2000 1200	2250 1350	9 { 10 7 6
10 { 10 7 6	278 1194 167	556 333	833 500	1111 778 667	1389 833	1667 1000	1944 1167 1167	2222 1333	2500 1500	10 { 10 7 6
11 { 10 7 6	1000 3006 2183	2000 6111 42867	3000 9177 6423560	4000 12222 8566733	5000 15228 1066917	6000 18333 12283100	7000 21389 149971283	8000 24444 171111467	9000 27500 192251650	11 { 10 7 6
12 { 10 7 6	333 2553 200	667 4877 400	1000 7000 600	1333 9333 800	1667 11667 1000	2000 14000 1200	2333 16333 1400	2667 18667 1600	3000 21000 1800	12 { 10 7 6
13 { 10 7 6	361 2553 217	722 4877 433	1083 7588 650	1444 9111 867	1806 12644 083	2167 15117 1300	2528 17669 15117	2889 20222 17333	3250 22775 1950	13 { 10 7 6
14 { 10 7 6	389 2733 237	778 5447 467	1167 8117 700	1556 9333 933	1944 13611 1167	2333 16333 1400	2722 19069 1633	3111 21778 1867	3500 24500 2100	14 { 10 7 6
15 { 10 7 6	417 2950 200	833 5883 500	1250 8750 750	1667 11667 1000	2083 14558 1250	2500 17500 1500	2917 20442 1750	3333 23333 2000	3750 26250 2250	15 { 10 7 6

To get the interest at 10 per cent for 11 days on \$1,234.00 :

Look in the 1,000 column opposite 11 days interest on \$1,000, 10 per cent is \$3.06.

Look " 2,000 " " " " 200, " " 61.1

Look " 3,000 " " " " 30, " " 9.17

Look " 4,000 " " " " 4, " " 1.22

The interest is \$3.77.49

As the amounts decrease, set the result always one space to the right as shown, the entire interest is thus had on one line of one page.

To get the interest at 7 per cent on \$7,987.63, 15 days :

Look in the 7,000 column opposite 15, interest on \$7,000, 15 days, \$20.42

Look " 9,000 " " " " 900, " 2.62.5

Look " 8,000 " " " " 80, " .23.33

Look " 7,000 " " " " 7, " . 2.042

\$23.29.872

Illustration of tables from which any rate of interest for any length of time may be had on one page and one line:

M & D.	D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
4-16	136	38861	77722	115583	154444	193305	232166	271027	309888	348749	387610	426471	465332	504193	543054	581915	620776	659637	698498	737359	776220	815081	853942	892803	931664	970525	1009386	1048547	1087708	1126869	1166030	1205191	1244352	1283513	1322674	1361835	1400996	1440157	1479318	1518479	1557640	1596801	1635962	1675123	1714284	1753445	1792606	1831767	1870928	1910089	1949250	1988411	2027572	2066733	2105894	2145055	2184216	2223377	2262538	2301699	2340860	2379921	2419082	2458243	2497404	2536565	2575726	2614887	2654048	2693209	2732370	2771531	2810692	2849853	2889014	2928175	2967336	3006497	3045658	3084819	3123980	3163141	3202302	3241463	3280624	3319785	3358946	3398107	3437268	3476429	3515590	3554751	3593912	3633073	3672234	3711395	3750556	3789717	3828878	3868039	3907190	3946351	3985512	4024673	4063834	4102995	4142156	4181317	4220478	4259639	4298800	4337961	4377122	4416283	4455444	4494605	4533766	4572927	4612088	4651249	4690410	4729571	4768732	4807893	4847054	4886215	4925376	4964537	5003698	5042859	5082020	5121181	5160342	5199503	5238664	5277825	5316986	5356147	5395308	5434469	5473630	5512791	5551952	5591113	5630274	5669435	5708596	5747757	5786918	5826079	5865240	5904401	5943562	5982723	6021884	6061045	6100206	6139367	6178528	6217689	6256850	6296011	6335172	6374333	6413494	6452655	6491816	6530977	6570138	6609299	6648460	6687621	6726782	6765943	6805104	6844265	6883426	6922587	6961748	7000909	7040070	7079231	7118392	7157553	7196714	7235875	7275036	7314197	7353358	7392519	7431680	7470841	7509902	7549063	7588224	7627385	7666546	7705707	7744868	7784029	7823190	7862351	7901512	7940673	7979834	8018995	8058156	8097317	8136478	8175639	8214800	8253961	8293122	8332283	8371444	8410605	8449766	8488927	8528088	8567249	8606410	8645571	8684732	8723893	8763054	8802215	8841376	8880537	8919698	8958859	8998020	9037181	9076342	9115503	9154664	9193825	9232986	9272147	9311308	9350469	9389630	9428791	9467952	9507113	9546274	9585435	9624596	9663757	9702918	9742079	9781240	9820401	9859562	9898723	9937884	9977045	10016206	10055367	10094528	10133689	10172850	10212011	10251172	10290333	10329494	10368655	10407816	10446977	10486138	10525299	10564460	10603621	10642782	10681943	10721104	10760265	10799426	10838587	10877748	10916909	10956070	10995231	11034392	11073553	11112714	11151875	11191036	11230197	11269358	11308519	11347680	11386841	11426002	11465163	11504324	11543485	11582646	11621807	11660968	11700129	11739290	11778451	11817612	11856773	11895934	11935095	11974256	12013417	12052578	12091739	12130900	12170061	12209222	12248383	12287544	12326705	12365866	12405027	12444188	12483349	12522510	12561671	12600832	12639993	12679154	12718315	12757476	12796637	12835798	12874959	12914120	12953281	12992442	13031603	13070764	13109925	13149086	13188247	13227408	13266569	13305730	13344891	13384052	13423213	13462374	13501535	13540696	13579857	13619018	13658179	13697340	13736501	13775662	13814823	13853984	13893145	13932306	13971467	14010628	14049789	14088950	14128111	14167272	14206433	14245594	14284755	14323916	14363077	14402238	14441399	14480560	14519721	14558882	14598043	14637204	14676365	14715526	14754687	14793848	14833009	14872170	14911331	14950492	14989653	15028814	15067975	15107136	15146297	15185458	15224619	15263780	15302941	15342102	15381263	15420424	15459585	15498746	15537907	15577068	15616229	15655390	15694551	15733712	15772873	15812034	15851195	15890356	15929517	15968678	16007839	16046990	16086151	16125312	16164473	16203634	16242795	16281956	16321117	16360278	16399439	16438600	16477761	16516922	16556083	16595244	16634405	16673566	16712727	16751888	16791049	16830210	16869371	16908532	16947693	16986854	17026015	17065176	17104337	17143498	17182659	17221820	17260981	17300142	17339303	17378464	17417625	17456786	17495947	17535108	17574269	17613430	17652591	17691752	17730913	17770074	17809235	17848396	17887557	17926718	17965879	18005040	18044201	18083362	18122523	18161684	18200845	18239906	18279067	18318228	18357389	18396550	18435711	18474872	18514033	18553194	18592355	18631516	18670677	18709838	18748999	18788160	18827321	18866482	18905643	18944804	18983965	19023126	19062287	19101448	19140609	19179770	19218931	19258092	19297253	19336414	19375575	19414736	19453897	19493058	19532219	19571380	19610541	19649702	19688863	19728024	19767185	19806346	19845507	19884668	19923829	19962990	20002151	20041312	20080473	20119634	20158795	20197956	20237117	20276278	20315439	20354600	20393761	20432922	20472083	20511244	20550405	20589566	20628727	20667888	20707049	20746210	20785371	20824532	20863693	20902854	20942015	20981176	21020337	21059498	21098659	21137820	21176981	21216142	21255303	21294464	21333625	21372786	21411947	21451108	21490269	21529430	21568591	21607752	21646913	21686074	21725235	21764396	21803557	21842718	21881879	21921040	21960201	21999362	22038523	22077684	22116845	22156006	22195167	22234328	22273489	22312650	22351811	22390972	22430133	22469294	22508455	22547616	22586777	22625938	22665099	22704260	22743421	22782582	22821743	22860904	22900065	22939226	22978387	23017548	23056709	23095870	23135031	23174192	23213353	23252514	23291675	23330836	23369997	23409158	23448319	23487480	23526641	23565802	23604963	23644124	23683285	23722446	23761607	23800768	23839929	23879090	23918251	23957412	23996573	24035734	24074895	24114056	24153217	24192378	24231539	24270700	24309861	24349022	24388183	24427344	24466505	24505666	24544827	24583988	24623149	24662310	24701471	24740632	24779793	24818954	24858115	24897276	24936437	24975598	25014759	25053920	25093081	25132242	25171403	25210564	25249725	25288886	25328047	25367208	25406369	25445530	25484691	25523852	25563013	25602174	25641335	25680496	25719657	25758818	25797979	25837140	25876301	25915462	25954623	25993784	26032945	26072106	26111267	26150428	26189589	26228750	26267911	26307072	26346233	26385394	26424555	26463716	26502877	26542038	26581199	26620360	26659521	26698682	26737843	26777004	26816165	26855326	26894487	26933648	26972809	27011970	27051131	27090292	27129453	27168614	27207775	27246936	27286097	27325258	27364419	27403580	27442741	27481902	27521063	27560224	27599385	27638546	27677707	27716868	27756029	27795190	27834351	27873512	27912673	27951834	27990995	28030156	28069317	28108478	28147639	28186800	28225961	28265122	28304283	28343444	28382605	28421766	28460927	28500088	28539249	28578410	28617571	28656732	28695893	28735054	28774215	28813376	28852537	28891698	28930859	28970020	29009181	29048342	29087503	29126664	29165825	29204986	29244147	29283308	29322469	29361630	29400791	29439952	29479113	29518274	29557435	29596596	29635757	29674918	29714079	29753240	29792401	29831562	29870723	29909884	29949045	29988206	30027367	30066528	30105689	30144850	30184011	30223172	30262333	30301494	30340655	30379816	30418977	30458138	30497299	30536460	30575621	30614782	30653943	30693104	30732265	30771426	30810587	30849748	30888909	30928070	30967231	31006392	31045553	31084714	31123875	31163036	31202197	31241358	31280519	31319680	31358841	31398002	31437163	31476324	31515485	31554646	31593807	31632968	31672129	31711290	31750451	31789612	31828773	31867934	31907095	31946256	31985417	32024578	32063739	32102900	32142061	32181222	32220383	32259544	32298705	32337866	32377027	32416188	32455349	32494510	32533671	32572832	32611993	32651154	32690315	32729476	32768637	32807798	32846959	32886120	32925281	32964442	33003603	33042764	33081925	33121086	33160247	33199408	33238569	33277730	33316891	33356052	33395213	33434374	33473535	33512696	33551857	33591018	33630179	33669340	33708501	33747662	33786823	33825984	33865145	33904306	33943467	33982628	34021789	34060950	34100111	34139272	34178433	34217594	34256755	34295916	34335077	34374238	34413399	34452560	34491721	34530882	34570043	34609204	34648365	34687526	34726687	34765848	34805009	34844170	34883331	34922492	34961653	35000814	35039975	35079136	35118297	35157458	35196619	35235780	35274941	35314102	35353263	35392424	35431585	35470746

\$955.20 for 4 months 22 days, at 8 per cent—1 year is \$76.42.

Look in the 70,000 column, opposite 4-22, is \$26 11 on \$70 00

“ “ 60,000 “ “ “ 2 36 6 00

The interest required is \$28 47

\$970.00, 1 year 5 months 13 days, at 7 per cent—1 year is \$67.90.

Look on the 60,000 column, opposite 5-13, is \$27 17 on \$60 00

“ “ 70,000 “ “ “ 3 17 7 00

“ “ 90,000 “ “ “ 45 1 00 or 90 cents.

The interest required is \$30 79

AVERAGING.

Averaging accounts to find when the total of a number of amounts of different dates become due.

The different processes submitted are practical, and from which selections may be made as suits the fancy of the book-keeper.

An easy method when there are numerous items, is to average each month separately, which can be done with ease and rapidity from the face of the Ledger.

RULE.—Multiply each amount *by the figures of its posting date*. Divide the product thus obtained by the total amount of dollars. The result will be the number of days forward from the zero date of the month, which will be the day of the month on which the whole amount is due.

Example.

Jan. 1 × \$50 = 50

“ 3 × 10 = 30

“ 10 × 16 = 160

“ 15 × 31 = 465

“ 18 × 14 = 252

“ 20 × 120 = 2400

“ 24 × 80 = 1920

“ 27 × 40 = 1080

\$361)6357(18 days from Jan. 0 is Jan. 17, \$361.00.

Feb. 3 × \$20 = 60

“ 7 × 40 = 280

“ 10 × 80 = 800

“ 14 × 60 = 640

“ 16 × 10 = 160

“ 20 × 5 = 100

“ 26 × 200 = 5200

“ 28 × 30 = 840

\$445)8080(18 days from Feb. 0 is Feb. 18, \$445.00.

Mar. 2	×	\$500	=	1000
" 5	×	20	=	100
" 7	×	60	=	420
" 10	×	30	=	300
" 12	×	80	=	960
" 16	×	100	=	1600
" 21	×	10	=	210
" 24	×	20	=	480
" 28	×	60	=	1680
" 29	×	70	=	2030
" 30	×	90	=	2700
" 31	×	10	=	310

\$1,050) 11790 (11 days from Mar. 0 is Mar. 11, \$1050.00.

From Jan. 18 to Jan. 18...	\$361 00	×	
" " Feb. 18 ...	445 00	×	31 days = 13795
" " Mar. 11 ...	1,050 00	×	52 " = 54600

\$1,856 00) 68395 (37 days.

Forward from January 18 is February 24, the average day on which the total amount is due.

To get the average date of maturity of several amounts of various dates, and where the terms are the same :

RULE—Multiply each amount by the number of days from the zero date of purchase of the first item (as a focal date) to the date of its maturity. Divide the total products by the total amount of dollars. The result will be the number of days to count forward from the zero or focal date, which will be the average date of maturity.

Example.

June 10, \$400 00, 90 days.	Due Sept. 10.
Aug. 16, 500 00, "	" Nov. 14.
" 28, 100 00, "	" " 26.
Dec. 12, 300 00, "	" Mch. 12.

Process.

From June 0 to due date, Sept. 10, is 102 days	×	\$400	=	40800
" " " Nov. 14, " 167	"	×	500	= 83500
" " " " 26, " 179	"	×	100	= 17900
" " " Dec. 12, " 285	"	×	300	= 85500

\$1,300) 227700 (175 days forward
from June 0 is November 22.

The same result will follow by taking the zero of the first month an item is due as a focal date, thus :

From Sept. 0 to Sept. 10 is 10 days	×	\$400	=	4000
" " Nov. 14 " 75	"	×	500	= 37700
" " " 26 " 87	"	×	100	= 8700
" " March 12 " 193	"	×	300	= 57900

\$1,300) 108100 (83 days forward
from September 0 is November 22.

To get the average when dates and terms vary:

RULE—Multiply each amount by the number of days from the maturity of the first item (as a focal date). Divide the product thus obtained by the dollars of the account. The result will be the number of days to count forward from the focal date.

Example.

June 10, \$400 00, 3 months, is due Sept. 10.
 Aug. 16, 500 00, 2 " " Oct. 16.
 " 28, 100 00, 2 " " " 28.
 Dec. 12, 300 00, 1 month, " Jan'y 12.

Process.

From Sept. 10 to Sept. 10 is $\times \$400 =$
 " " Oct. 16 " 36 days $\times 500 = 18000$
 " " " 28 " 48 " $\times 100 = 4800$
 " " Jan'y 12 " 124 " $\times 300 = 37200$

$\$1,300) 60000$ (46 days forward
 from September 10 is October 26.

Or to use the last date of maturity as a focal date to count back from :

From Sept. 10 to Jan'y 12 is 124 days $\times \$400 = 49600$
 " Oct. 16 " 88 " $\times 500 = 44000$
 " " 28 " 76 " $\times 100 = 7600$
 " Jan'y 12 " $\times 300 =$

$\$1,300) 101200$ (78 days back
 from January 12 is October 26.

To average an account with debits and credits.

RULE.—Multiply each debit by the number of days from its maturity to the latest date, whether on the debit or credit side, and add the results. Multiply each credit by the number of days from its date to the latest date, whether on the debit or credit side, and add the results. Deduct the smaller amount of dollars and products from the larger. Divide the product by the balance of dollars, which will give the number of days to count back from the last due date in the account.

Example.

Debits.			Credits	
Jan. 1..	\$200 00, 30 days, due Jan. 31.		Feb. 5..	\$100 00
Feb. 10..	100 00, 10 " Feb. 20.		Mar. 8..	100 00
Mar. 5..	300 00, 60 " May 4.		April 15..	200 00
April 20..	400 00, 30 " " 20.		May 25..	100 00
	<u>\$1,000 00</u>			<u>\$500 00</u>
	500 00			
Bal..	\$500 00			

Process.

From Jan. 31 to May 25, 114 days	$\times \$200=22800$
" Feb. 20 " 94 "	$\times 100=9400$
" May 4 " 21 "	$\times 300=6300$
" " 20 " 5 "	$\times 400=2000$

\$1000 40500

500 26700

500)13800(28 days back from May 25 is April 27.

From Feb. 5 to May 25, 109 days	$\times \$100=10900$
" Mar. 8 " 78 "	$\times 100=7800$
" Apl. 15 " 40 "	$\times 200=8000$
" May 25 " "	100

\$500 26700

In the above, the first due date, January 1, may be used as the focal date, instead of May 25. If so, the count will be forward from January 1.

To get averages by taking the zero date of the earliest month in the account (whether debit or credit) as a focal date for both sides.

RULE.—Multiply each debit by the number of days from the zero date of the earliest month (on either side) to its due date. Multiply each credit by the number of days from the zero of the earliest month (on either side) to its date. Deduct the smaller products from the larger, divide the difference of the products by the difference in dollars (balance due), and the result will be the number of days forward from the zero date, which will be the date of maturity.

Example.

Debits.	
Jan. 1.. \$200 00 due Jan. 31.	
Feb. 10.. 100 00 " Feb. 20.	
Mar. 5.. 300 00 " May 4.	
Apr. 20.. 400 00 " May 22.	

Credits.	
Feb. 5.. \$100 00	
Mar. 8.. 100 00	
Apr. 15.. 200 00	
May 25.. 100 00	

Process.

From Jan. 0 to Jan. 31 is 31 days	$\times \$200=6200$
" " Feb. 20 is 51 "	$\times 100=5100$
" " May 4 is 124 "	$\times 300=37200$
" " May 20 is 140 "	$\times 400=56000$

\$1,000 104500

500 45800

\$500)58700(117 days forward from Jan. 0 is April 27.

From Jan. 0 to Feb. 5 is 36 days	$\times \$100=3600$
" " Mar. 8 is 67 "	$\times 100=6700$
" " Apr. 15 is 105 "	$\times 200=21000$
" " May 25 is 145 "	$\times 100=14500$

\$500 45800

To get the average of both sides by using months and fractions instead of days. For convenience take the zero of the first month in the entire account as a focal date.

RULE.—Multiply each debit by the number of months from the zero (or focal) date to its due date. Multiply each credit by the number of months from the zero date to its date. Deduct the smaller from the larger, and divide the difference by the balance of dollars. The result will be the months to count forward from the zero date.

Example

Debits.	
From Jan. 0 to Jan. 31, 1 mo.	$\times \$200=200$
" " Feb. 20, 1 2-3 "	$\times 100=167$
" " May 4, 4 1-10 "	$\times 300=1240$
" " May 20, 4 19-30 "	$\times 400=1853$

\$1,000 3460

500 1513

\$500)1947(3 9-10 months forward from zero date, Jan. 0, is April 27.

Credits.	
From Jan. 0 to Feb. 5, 1 1-6 mo.	$\times \$100=117$
" " Mar. 8, 2 1-5 "	$\times 100=220$
" " Apr. 15, 3 7-15 "	$\times 200=693$
" " May 25, 4 5-6 "	$\times 100=483$

\$500 1513

With pencil and paper the months and fractions can easily be had with a little mental effort, and the result obtained with accuracy.

AVERAGING BY INTEREST PROCESSES.

To get the average by interest when the items are all on one side.

RULE.—Take for the focal date the earliest one in the account (of maturity). Ascertain the interest on each amount from the focal date to the due date of the item. Divide the total interest thus obtained by the interest (at the same rate) of the total dollars for one day. The result will be the number of days to count forward from the focal date, which will be the date of maturity.

Example.

Jan.	1,	\$200 00,	30 days,	is due	Jan.	31.
Feb.	10,	100 00,	10 "	"	Feb.	20.
Mar.	5,	300 00,	60 "	"	May	4.
April	20,	400 00,	30 "	"	"	20.

Process, 6 per cent.

From Jan. 31 to Jan. 31,	\$200	
" " Feb. 20, 20 days' interest on 100 is	33 $\frac{1}{3}$	
" " May 4, 93 "	300 "	4 65
" " " 20, 109 "	400 "	7 26 $\frac{2}{3}$
	\$1,000	\$12 25

The interest on \$1,000 for 1 day at 6 per cent is $16\frac{2}{3}$ 12.25 (74 days forward from Jan. 31 is April 15, the average date when the whole amount is due. Same by months.

From Jan. 31 to Jan. 31,	on \$200 is
" " Feb. 20, $\frac{2}{3}$ months' interest "	100 " 33 $\frac{1}{3}$
" " May 4, $3\frac{1}{10}$ "	300 " 4 65
" " " 20, $3\frac{3}{8}$ "	400 " 7 26 $\frac{2}{3}$
	\$12 25

To prove with other processes, without interest, multiply each item by the number of days from the due date of the earliest item.

Divide the products thus obtained by the total dollars, which will be the number of days forward from the focal date to date of maturity.

From Jan. 31 to Jan. 31 is	× \$200 is
" " Feb. 20 " 20 days	× 100 " 2000
" " May 4 " 93 "	× 300 " 27900
" " " 20 " 109 "	× 400 " 43600

\$1,000) 73500 (74 days forward from Jan. 31=April 15.

To get the average of both sides of an account by interest process.

RULE.—Ascertain the interest on each item from the zero due date of the earliest month in the account (no matter whether on the debit or credit side) to the due date of the item. If the aggregate of interest on the debit side is the largest, deduct from it the total of the interest on the credit side. Divide the

product thus obtained by the interest for one day on the balance of the account. The result will be the number of days to count from the zero (or focal) due date, which will be the date of maturity of the balance due. The due date itself may be taken as the focal date, if desirable.

Example.

Debits.				Credits.	
Jan.	1,	\$200 00, 30 days, due Jan.	31.	Feb.	5.. \$100 00
Feb.	10,	100 00, 10	Feb.	20.	Mar. 8.. 100 00
Mar.	5,	300 00, 60	May	4.	April 15.. 200 00
April	20,	400 00, 30	"	"	May 25.. 100 00

Process.

From Jan. 0 to Jan. 31 is 31 days.	Int on \$200 is	1 03 1/3.	Zero to Feb. 5, 36 days.	Int. on \$100..	60
" Feb. 20 " 51 "	" 100 "	85	" Mar. 8, 67 "	" 100..	1 11 2/3
" May 4, " 124 "	" 300 "	6 20	" April 15, 105 "	" 200..	3 50
" 20, " 140 "	" 400 "	9 33 1/2	" May 25, 145 "	" 100..	2 41 2/3
	\$1,000	\$17 41 2/3		\$510	\$7 63 1/3
	500	7 63 1/3			

One day's interest at 6 per cent on bal. of \$500 is $08\frac{1}{3}\%$ 78 1/3 (117 days forward from Jan. 0 is April 27.

Proof of the same, without interest.

From Jan. 0 to Jan. 31, 31 days, $\times \$200 = 6200$	From Jan. 0 to Feb. 5, 36 days, $\times \$100 = 3600$
" Feb. 20, 51 " $\times 100 = 5100$	" Mar. 8, 67 " $\times 100 = 6700$
" May 4, 124 " $\times 300 = 37200$	" April 15, 107 " $\times 200 = 21000$
" 20, 140 " $\times 400 = 56000$	" May 25, 145 " $\times 100 = 14500$
\$1,000 104500	\$500 45800
500 45800	
\$500 58700 (117 days forward from Jan. 0 is April 27.	

There are tables for averaging interest published in book form, which are reliable and convenient, and to such as have so little averaging to do as to forget rules and processes, such tables would be of great service.

EXPERT WORK.

Without capacity, practical knowledge and ripe experience in the many processes of keeping the books of the various classes and conditions of business, an accountant cannot expect to meet with success.

Accuracy, concentration, confidence, business ability, deliberation, etc., are among the primal requisites.

He must have capacity in systematizing, opening, keeping and closing books, apportioning the results accurately in accordance with the requirements, to advise, audit, arbitrate, appraise and act as mediator, referee, etc., and to testify, if necessary.

He must be abundantly capable of taking the books as he finds them, grasp the situation, formulate his plans in accordance with the circumstances, and pursue his investigations to a finish.

He must familiarize himself with the peculiarities of the book-keeper's methods of writing, making figures, abbreviating, and processes of keeping his books, analyze and trace every entry from its inception to the final disposition on the Ledger, testing its cause and effect as he goes, unearth errors, expose frauds and verify every entry and posting, test the footings, etc., etc., to make an accurate and comprehensive statement.

He must school himself to pursue his work undisturbed by the surroundings, and concentrate his every faculty, free from the effect of strange desks, books, figures, processes, business methods, suggestions, etc., in order to reach positive results.

Every public accountant's faculties are on the alert to discover errors or indications of irregularities.

The work of an accountant is various, and grades from the easy work of checking, correcting and verifying, to analyzing, auditing, apportioning, preparing statements for amicable adjustments, arbitration, legal adjudication, etc., etc., investigations of the books of corporations, from the smallest to the more intricate and extended manipulations of the most extensive concerns, as railways, pools, trusts, and other combinations, together with the records of the business of counties, cities, State, national or international.

No specific details of procedure can be given, as the business requirements and the methods of each book-keeper will differ in every case, so that suggestions can be made only in a general way as indicative of what may be expected of a public accountant.

If employed simply to verify the work where neither doubt nor dissatisfaction exists, accuracy in arranging original entries for posting, verification of

the postings and footings, and confirming the trial balance, may be all that is necessary.

In cases of disagreements of partners as to the results of the business, it may be necessary to verify and substantiate the accounts of each partner as a basis for an equitable settlement.

If employed to investigate a single particular feature of the business, the work will be confined to such transactions only as would affect its results.

When one partner, either from incapacity to understand the books or from personal convictions, is impressed with the idea that the affairs are being manipulated for a purpose, the accountant should make no suggestions, listen to no explanations, pay no attention to the differences of opinion, or allow himself to be influenced in any way, but make a most thorough investigation of everything pertaining to the business, and make his statement *as the books show*. Then, if either partner insists on various items being wrong, supplemental statements may be made for each, showing what the results would be with the disputed items included, which should be attached to the statement "as the books show."

In cases of suspected irregularities, the accountant will trace and verify every item, from the Order Book to the Ledger, check all postings and verify the footings, see that all cash received has been entered on the Cash Book, verify the bank account, especially in crediting up discounts, investigate the bills receivable and payable, expense and loss accounts, etc. The Cash Book especially should be carefully footed and proved, and where the book-keeper persistently or only occasionally enters the footings of his Cash Book and Ledger accounts in pencil (which should not be followed under any circumstances), and where accounts are ruled up as balanced, without entering the footings in ink, it instantly attracts the attention of the accountant, and he should investigate such cases thoroughly; and even though an account has been ruled up and closed, the footings should be verified. Any interlining, alterations or erasures should be closely scanned; any dot, dash or character may have a meaning—will be quickly noticed by the accountant, and he will not leave them until their meaning is made manifest. He should then take off a trial balance with the name, amount, and Ledger page of every account on the Ledger, from which to make a balance sheet and statement of the assets and liabilities as shown by the Ledger and trial balance, also a statement of each partner's interest in the results. He should then make a carefully detailed statement of every transaction to which the attention of the management should be called, whether of fraud, errors, discrepancies, alterations, etc., etc., and attach all firmly to the trial balance. When he is confident that certain transactions should be changed, he can make and attach a supplemental or conditional statement, showing what the results would be after such changes are made, but in no case should he make alterations or changes on the books, unless authorized to do so.

Statements prepared for the courts should be exhaustive and explanatory, and should be accompanied with copious explanations of what each represent-

ative account represents, together with statements of the actual cash receipts and disbursements, purchases and sales, merchandise (or any commodity) on hand, expense of conducting the business, etc., etc., which should show the result of each year's business separately and as a whole, make a full and comprehensive statement of every item or transaction, to which attention should be called, and make the statement as the books show, to which may be attached as many supplemental statements as may be required to show what the result would be with the disputed items allowed or denied. The accountant may add a statement showing what he would consider to be an equitable adjustment, if asked to do so. If, instead of being made by order of the court, it is done at the request of the prosecution or defendant, another conditional statement may be attached, showing the result, as it would be from the standpoint of the employer, but under no circumstances should a report be made by a public accountant with certain features omitted or added, unless it is plainly specified as such, or attached to a statement, as the books show. No matter what the consideration may be, make your report conscientiously, without fear or favor.

The accountant is frequently employed to make a report of the exact financial condition of affairs based on actual values. After taking off the trial balance and verifying the books, he must thoroughly investigate the condition of every outstanding account, note, or other evidences of indebtedness to the concern. Classify them according to their values (discarding all accounts and notes that are uncollectible, value the merchandise on hand, bonds, mortgages, real estate, plant, fixtures, etc., at what they would bring at private sale. From the total of values thus obtained, deduct the total amount of indebtedness, and the result will be the actual available assets, to which should be attached a statement of all accounts and notes, or other items considered as doubtful or bad, as a contingent asset of approximate value. Still another statement should be made and attached, showing the amount of accommodation paper the concern has indorsed, together with the amount of notes receivable that have been discounted remaining unpaid, time drafts on fictitious parties (if any), and all other contingent liabilities, as may in any way affect the standing of the concern. Thus, the first statement would be as the books show. The second would show the actual available net assets. The third would show the available and conditional assets. The fourth would show the results if unforeseen circumstances would convert indorsements and accommodation paper into actual liabilities.

The public accountant's experience has shown him that erroneous postings, having been erased and corrected, are not always evidences of fraud, for the reason that in tracing back to the book posted from, the figures of the original entry are found to be intact; but when erasures and alterations occur from the original entry to the account on the Ledger, it may look suspicious. All corrections should be made with larger figures, either in black or red ink, so as to show the correction without obliterating the figures of the error.

When an accountant finds numerous errors in books it does not necessarily indicate design, but shows the inaccuracy and incapacity of the book-keeper.

The book-keeper who meets with the average amount of trouble in getting his trial balance, but persistently succeeds, can be relied on.

When a smart Aleck "never has to correct errors, never makes mistakes, gets his trial balance almost always the first time, and never has to go over his work a second time," it is safe to assume that an investigation may show a different state of affairs.

The conscientious book-keeper will rather court than reject criticism, verifications or investigations, as it confirms his work, increases his self-confidence, and places him at ease with his employers.

The novice in peculation commences by abstracting small amounts, intending to replace them, and which he conceals in the cash disbursements as "sundries," or in forced Cash Book footings, placing some peculiar mark or character on that page of the Cash Book (the meaning of which is known only by himself, and which would be overlooked by the management), by which he could refer to it in taking off his trial balance.

The more extensive frauds are generally committed by persons who thoroughly understand the books and the business, and are so cleverly covered up as to tax the capacity of the accountant to its utmost limit; but he will carefully dissect and analyze every transaction, investigate the affairs in detail and as a whole, ascertain the amount of business done each year, what it cost, what is left, the disposition of the proceeds, etc., etc., and compare one year's business with another; note the variations of the annual results (if any), and when a marked difference is shown, ascertain the cause, whether by general depression, shrinkage of values, withdrawal of capital, stringency in the money market, change of management, unanticipated losses, etc., etc. If no valid cause is shown, and the output has maintained its average, then it is safe to assume that fraud has been committed, and the closest attention should be given to the analysis of every transaction for that year, so that the circumstantial evidence can be shown as positive evidence of defalcation. If he finds it impossible to be able to furnish absolute dates and amounts of the discrepancies, he will familiarize himself with the habits, associations, expenditures, investments, outside business methods, etc., of the suspected one, which may confirm the strongly circumstantial evidence already obtained, and may possibly furnish a clue which will lead to the details required to make the evidence positive.

The accountant should not be restricted as to time or compensation, or be disturbed by suggestions, or questioned as to his progress or discoveries. He may work for days without being able to show results, with his every mental faculty at its utmost tension, and should not be interfered with in any way, but should be free to proceed in his own way to a finish.

The author has frequently been solicited by aspirants to furnish detailed processes of procedure, which would be more difficult than an actual investigation of an intricate set of books, as every case requires different methods of treatment.

The capable accountant needs no suggestions, as he is abundantly capable

to accomplish the work without advice, but it may not be amiss to submit in a general way for the guidance of the less experienced some idea of the requirements.

From the orders, receipts, checks, freight bills, correspondence, etc., see that all transactions are properly entered upon the auxiliaries for posting.

Verify the footings of all books posted from.

Check every posting.

Take off a trial balance as the Ledger shows.

Make a balance sheet from the trial balance.

Make a statement of the assets and liabilities from the balance sheet.

Make a statement of each partner's interest, as shown by the books.

If errors are found in the books throwing them out of balance, make a statement of the discrepancy, and then attach a statement of the assets and liabilities and the partners' interests, as it would show after the corrections were made.

Test the accuracy, cause and effect of every transaction from the original entry to its final place upon the Ledger.

Analyze every item posted to the different expense accounts.

Ascertain the total amount of cash received and disbursed, and verify it with the bank account.

Analyze closely all entries on the Cash Book, and verify them with what voucher evidence is available.

Ascertain the exact purchases and sales independent of cross entries.

See that the inventory is properly valued.

Verify the footing of every account on the Ledger, whether ruled up and closed or remaining open.

Satisfy yourself as to the cause of every erasure, alteration, interlining, etc., etc., by tracing each back to its original entry.

Make full and comprehensive memoranda, as you go, of every error, omission or other irregular work requiring explanation, referring to the dates and pages, so that access can readily be had to each occurrence, heading the list, "Items to be explained."

If the investigation covers the business of several years, take a trial balance for each year separately, as shown by the books, from which make and attach to each a statement of the assets and liabilities and the partners' interests for that year, to which attach similar annual statements of the condition of affairs after the corrections are made.

Make statements of the gross profits on the merchandise sold annually, from which deduct the total of the expenses for that year, which will give the net profits. Ascertain rate per cent of both gross and net profits. Tabulate them as a whole to get the total gross and net profits and the average percentage of each.

Make a statement of the net percentage of the gains or losses on each partner's investment, annually and as a whole.



AND

VALUABLE SUGGESTIONS

FOR

Book-keepers and Business Men.

Extracted from "The Book-Keeper," of Detroit, Michigan,
by permission of its publishers.

"The Book-Keeper" is a live, handsome 52-page monthly magazine, published exclusively in the interests of book-keepers and office men. Subscription price only \$1.00 per year. The Book-Keeper Co., Ltd., Publishers, Detroit, Mich.

ONE THOUSAND HELPFUL HINTS.

A TABLE OF WAGES,

Showing Amounts from One Hour to One Week, \$2 to \$25.

Days.	\$2	\$2½	\$3	\$3½	\$4	\$4½	\$5	\$5½	\$6	\$6½	\$7	\$7½	\$8	\$8½	\$9	\$9½	\$10
¼	.08	.11	.13	.15	.17	.19	.21	.23	.25	.27	.29	.31	.33	.35	.38	.40	.42
½	.17	.21	.25	.29	.33	.38	.42	.46	.50	.54	.58	.63	.67	.71	.75	.79	.83
¾	.25	.31	.38	.44	.50	.56	.63	.69	.75	.81	.88	.94	1.00	1.06	1.13	1.19	1.25
1	.33	.42	.50	.58	.67	.75	.83	.92	1.00	1.08	1.17	1.25	1.33	1.42	1.50	1.58	1.67
1¼	.42	.52	.63	.73	.83	.94	1.04	1.15	1.25	1.35	1.46	1.55	1.67	1.77	1.88	1.98	2.08
1½	.50	.63	.75	.88	1.00	1.13	1.25	1.38	1.50	1.63	1.75	1.88	2.00	2.18	2.25	2.38	2.50
1¾	.58	.73	.88	1.02	1.17	1.31	1.46	1.60	1.75	1.90	2.04	2.19	2.33	2.48	2.63	2.77	2.92
2	.67	.83	1.00	1.17	1.33	1.50	1.67	1.83	2.00	2.17	2.33	2.50	2.67	2.83	3.00	3.17	3.33
2¼	.75	.94	1.13	1.31	1.50	1.69	1.87	2.06	2.25	2.44	2.63	2.81	3.00	3.19	3.37	3.56	3.75
2½	.83	1.04	1.25	1.46	1.67	1.87	2.08	2.29	2.50	2.71	2.92	3.13	3.33	3.54	3.75	3.96	4.17
2¾	.92	1.15	1.38	1.60	1.83	2.06	2.29	2.52	2.75	2.98	3.21	3.44	3.67	3.90	4.13	4.35	4.58
3	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00
3¼	1.08	1.35	1.62	1.90	2.17	2.44	2.71	2.98	3.25	3.52	3.79	4.06	4.33	4.60	4.88	5.15	5.42
3½	1.17	1.46	1.75	2.04	2.33	2.63	2.92	3.21	3.50	3.79	4.08	4.38	4.67	4.96	5.25	5.54	5.83
3¾	1.25	1.56	1.88	2.19	2.50	2.81	3.13	3.44	3.75	4.06	4.37	4.69	5.00	5.31	5.62	5.94	6.25
4	1.33	1.67	2.00	2.33	2.67	3.00	3.33	3.67	4.00	4.33	4.67	5.00	5.33	5.67	6.00	6.33	6.67
4¼	1.42	1.77	2.13	2.48	2.83	3.19	3.54	3.90	4.25	4.60	4.96	5.31	5.67	6.02	6.37	6.73	7.08
4½	1.50	1.87	2.25	2.63	3.00	3.27	3.75	4.13	4.50	4.88	5.25	5.63	6.00	6.37	6.75	7.13	7.49
4¾	1.58	1.98	2.37	2.77	3.17	3.56	3.96	4.35	4.75	5.15	5.54	5.94	6.33	6.73	7.13	7.53	7.92
5	1.67	2.08	2.50	2.92	3.33	3.75	4.17	4.58	5.00	5.42	5.83	6.25	6.67	7.08	7.50	7.92	8.33
5¼	1.75	2.19	2.63	3.06	3.50	3.94	4.38	4.81	5.25	5.68	6.13	6.56	7.00	7.44	7.88	8.31	8.75
5½	1.83	2.29	2.75	3.21	3.67	4.13	4.58	5.04	5.50	5.95	6.42	6.88	7.33	7.79	8.25	8.71	9.17
5¾	1.92	2.40	2.88	3.35	3.83	4.31	4.79	5.27	5.75	6.22	6.71	7.19	7.67	8.15	8.63	9.10	9.58
6	2.00	2.50	3.00	3.50	4.00	4.50	5.00	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00
Per Hour.	3	4	5	6	7	7	8	9	10	11	12	12	13	14	15	16	17

Days.	\$11	\$12	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$25
¼	.46	.50	.54	.58	.63	.67	.71	.75	.79	.84	.88	.92	.96	1.06
½	.92	1.00	1.08	1.17	1.25	1.33	1.42	1.50	1.57	1.67	1.75	1.83	1.92	2.13
¾	1.37	1.50	1.62	1.78	1.88	2.00	2.12	2.25	2.36	2.41	2.63	2.75	2.88	3.19
1	1.83	2.00	2.17	2.33	2.50	2.67	2.83	3.00	3.17	3.33	3.50	3.67	3.83	4.17
1¼	2.29	2.50	2.71	2.92	3.13	3.33	3.54	3.75	3.96	4.17	4.37	4.58	4.79	5.21
1½	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.25
1¾	3.21	3.50	3.79	4.08	4.38	4.67	4.96	5.25	5.54	5.83	6.13	6.42	6.71	7.29
2	3.67	4.00	4.33	4.67	5.00	5.33	5.67	6.00	6.33	6.67	7.00	7.33	7.67	8.33
2¼	4.13	4.50	4.87	5.25	5.63	6.00	6.38	6.75	7.12	7.50	7.87	8.25	8.62	9.37
2½	4.58	5.00	5.42	5.83	6.25	6.67	7.08	7.50	7.92	8.33	8.75	9.17	9.58	10.42
2¾	5.04	5.50	5.96	6.42	6.88	7.33	7.79	8.25	8.71	9.17	9.63	10.08	10.54	11.46
3	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.50
3¼	5.96	6.50	7.04	7.58	8.13	8.67	9.21	9.75	10.29	10.83	11.37	11.92	12.46	13.54
3½	6.42	7.00	7.58	8.17	8.75	9.33	9.92	10.50	11.08	11.67	12.25	12.83	13.42	14.58
3¾	6.88	7.50	8.13	8.75	9.38	10.00	10.63	11.25	11.88	12.50	13.13	13.75	14.37	15.62
4	7.33	8.00	8.67	9.33	10.00	10.67	11.33	12.00	12.67	13.33	14.00	14.67	15.33	16.67
4¼	7.79	8.50	9.21	9.92	10.63	11.33	12.04	12.75	13.45	14.17	14.87	15.58	16.29	17.71
4½	8.25	9.00	9.75	10.50	11.25	12.00	12.75	13.50	14.25	15.00	15.75	16.50	17.25	18.75
4¾	8.71	9.50	10.29	11.08	11.88	12.67	13.46	14.25	15.04	15.83	16.63	17.42	18.21	19.79
5	9.17	10.00	10.83	11.67	12.50	13.33	14.17	15.00	15.83	16.67	17.50	18.33	19.17	20.83
5¼	9.63	10.50	11.37	12.25	13.13	14.00	14.88	15.75	16.62	17.50	18.37	19.25	20.12	21.87
5½	10.08	11.00	11.92	12.83	13.75	14.67	15.58	16.50	17.42	18.33	19.25	20.17	21.08	22.92
5¾	10.54	11.50	12.46	13.42	14.38	15.33	16.29	17.25	18.21	19.17	20.13	21.08	22.04	23.96
6	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	25.00
Per Hour.	18	20	22	23	25	27	28	30	32	33	35	37	38	42

BLACK LIST.

The following form is the best we have ever seen for preserving and keeping a record of bad accounts. It is a Ledger in itself, and to it is intended to be transferred every account that becomes bad, as soon as it is known to be so. Three forms are upon each page, and the book has an index bound in it. At inventory, if any of the accounts are considered worth anything, they should be inventoried as of estimated value. Ordinarily we would consider them good for nothing, and if ever collected, consider the amount as so much clear gain. This Ledger has nothing whatever to do with the general Ledger of the business, but is complete in itself, and intended to be handled by the treasurer or the one responsible for difficult collections :

[illegible]

CREDIT REPORTS.

The following form for securing credit ratings was originated by a book-keeper in St. Louis, Mo., and it has given such satisfaction that it is now almost entirely employed by the merchants of that city. Form No. 1 is printed upon one side of an ordinary size letter sheet, and form No. 2 upon the reverse side, the latter to be signed by the firm using it.

(Form No. 1.)

ST. LOUIS, MO.,.....189..

Dear Sir :

We will be under obligations to you for any information you may be pleased to give us concerning the business habits of party named on the other side of this sheet, especially on the points indicated. Command our services in like manner at any time

Yours truly,

(Form No. 2.)

REPORT.

Date.	On	By
.....		
.....		
.....		
.....		
.....		
.....		
.....		

How long has party dealt with you?.....
Is he now a customer?.....
Is the account satisfactory as to payments?.....
Is it satisfactory in other respects?.....
What line of credit do you extend to him?.....
If not incompatible with your interest, state how much he owes you.....
How much, if any, past due?.....
Any other information of value?.....
.....
.....

(Confidential.)

TRAVELING MEN'S EXPENSES.

A question of no little importance to book-keepers is that of handling traveling men's accounts, and a point in question we have gained from the large wholesale firm of Horton, Gilmore, McWilliams & Co., of Chicago. In common with other business houses, they had frequently been annoyed by salesmen collecting money from customers and having the amount charged to their salary account, thereby causing more or less confusion, and, in addition, the amounts so collected would frequently be in excess of the salary due. Another source of annoyance was the authorization of salesmen to issue drafts on the house for the payment of salaries and expenses, making it possible for a dishonest man to largely overdraw his account, with no recourse whatever for the firm if he suddenly disappears.

For the purpose of preventing such annoyances and losses, but without intending any reflection on their salesmen, the firm adopted the following system, which has proven highly satisfactory in every respect. Blank drafts, as shown below, are sent to each salesman the first of each month, or oftener, if necessary. A special account is kept for the purpose of showing the amount to which each salesman is entitled, and as the draft furnished him covers this amount only, it is plain that he cannot overdraw his account. The drafts made out in this form are regarded by banks as regular acceptances, and there is consequently no trouble to the salesman in hunting up indorsers :

CHICAGO,.....189..

Mr.....

You are hereby authorized to make sight draft on us
for.....Dollars, or less,
and will pay the same on presentation with this authoriza-
tion attached.

HORTON, GILMORE, MCWILLIAMS & Co.

.....

.....

\$.....189..

As per authorization attached hereto, pay to the order
of.....
.....Dollars.

Value received, and charge same to account of.....
.....

To HORTON, GILMORE, MCWILLIAMS & Co.,
Chicago, Ill.

AVERAGING ACCOUNTS.

In the October number of THE BOOK-KEEPER appeared the following :

EXAMPLE.

When is the balance of the following account due ?

1888.	Debits.	1888.	Credits.
May 12.....	\$750 00	June 10.....	\$500 00
" 30.....	117 00	" 30.....	300 00
June 12.....	340 00		
July 1.....	150 00		

ILLUSTRATION.

The assumed date is fixed on the 31st of December, preceding the earliest date in the account. This is for convenience sake, and to preserve constant uniformity. Interest is reckoned on each amount from December 31 to the date due at 12 per cent per annum, or 1 per cent per month. This rate of interest is also arbitrarily fixed, as being the most convenient for use.

Debits.	PROCESS.	Credits.
May 12.....\$750 { Int. 4 mos.....\$30 00		June 10.....\$500 { Int. 5 mos.....\$25 00
" 30..... 117 { " 12 days..... 3 00		" 30..... 300 { " 10 days..... 1 67
" 30..... 117 { " 5 mos..... 5 85		" 30..... 300 { " 6 mos..... 18 00
June 12..... 340 { " 5 mos..... 17 00		Total Cr. acct. 800 Total Cr. Int.... 44 67
" 12..... 340 { " 12 days..... 1 36		
July 1..... 150 { " 6 mos..... 9 00		
" 1..... 150 { " 1 day..... 05		
Total Dr. } 1,357 { Total Dr. } 66 26		
of acct. }		
Total Cr. } 800 { Total Cr. } 44 67		
of acct. }		
Bal. of acct. 557 Bal. of Int. 21 59 (3 months.		
	16 71	
	4 88	
	30	
	14640 (26 + days.	
	1114	
	3500	
	3342	
	158	

Ans.—Balance of account due in 3 mos. 26 days, from Dec. 31, or April 26.

ANTI-STUB CHECK RECORD.

By permission of the Bank Supply Company, of Columbus, Ohio, we are enabled to present our readers with a form for keeping a record and account of all checks issued and deposits made. The system is entitled "Synold's Anti-Stub Check Record and Bank Account Book," and its chief merits combine accuracy, simplicity, and usefulness. The illustration given shows one-half of a double page, and the book as furnished is to be used in connection with blank checks, which are furnished by banks or otherwise. A brief summary of the merits of this system we extract from a circular which they issue, as follows: Each page will register twenty-five checks, which obviates the necessity of turning the stubs after every three or five checks have been drawn, as is the case with the ordinary Check Book.

When a page is full, add up check and deposit columns, and subtracting the former from the latter to prove balance; then forward the amounts to the next page.

When Pass Book is balanced and checks returned by the bank, mark them off in the column "When Returned," which is set aside for that purpose.

If desired, post directly from Check Record to Ledger without carrying the items through the other books. The space headed "Folio" can be used for that purpose.

The column of figures headed "No." is for the purpose of facilitating the numbering of checks.

These figures range consecutively from 00 to 24, 25 to 49, 50 to 74, and from 75 to 99. By prefixing the hundreds and thousands at the top of each column, the Check Record is completely numbered.

For instance, 1,700 has been reached, and to use the Check Record you simply place 17 in front of the 00 on first page, and repeat this on second, third and fourth pages; then take the 18 and prefix it to the figures in the column in the same manner, and so on to the end of the Record.

The Check Records are all of a uniform size—ordinary cap form—and measure, when closed, $8\frac{1}{2} \times 14$ inches, thus making convenient to handle. Copyrighted.

TABLE OF TRANSPOSED NUMBERS.

Differences.

9	{	10	21	32	43	54	65	76	87	98	The transposition of figures is a frequent cause of errors in proving accounts and balance sheets. This table is founded on the fact that all differences between transposed number are multiples of nine. The difference between the figures misplaced is equal to the quotient of the resulting error when divided by nine; thus, $91-19=72$; $72 \div 9=8$; $9-1=8$, and the labor of searching for it may be confined to examining those figures, the transposition of which would make the difference, as they are the only ones that can cause the error. Thus, if the error in the balance sheet be 81 cents, it is possibly caused by a transposition, and the clerk can first examine the cents column of his books for items of 90 cents, or 09 cents, alone, with a strong probability of finding the cause of the error without further revision. Transpositions may occur in any decimal or integer place, and the differences caused thereby are divisible by nine without a remainder; but, beyond this table, the numbers ascend in regular progression, each difference increasing by nine, as follows:
		01	12	23	34	45	56	67	78	89	
18	{	20	31	42	53	64	75	86	97		
		02	13	24	35	46	57	68	79		
27	{	30	41	52	63	74	85	96			
		03	14	25	36	47	58	69			
36	{	40	51	62	73	84	95				
		04	15	26	37	48	59				
45	{	50	61	72	83	94					
		05	16	27	38	49					
54	{	60	71	82	93						
		06	17	28	39						
63	{	70	81	92							
		07	18	29							
72	{	80	91								
		08	19								
81	{	90									
		09									
90	{	100									
		010									
99	{	100									
		001									

The quotient of the difference in a regular progression, when divided by nine, gives the figures transposed, thus: $130-13=117 \div 9=13$, which are the figures to be sought for when a discrepancy of 117 is shown; but this will not apply to differences below 81, nor to mix transpositions. An error divisible by two may be caused by posting an item to the wrong side of the Ledger.

A DISCOUNT REGISTER.

Any one who has tried to add a crooked column of figures knows how much depends on mere arrangement. It is a vital principle in large manufactories to save all unnecessary traveling to and fro in the handling of parts and materials. On the same principle, the distances which the eye and hand of the book-keeper must travel in pursuing his work should be shortened to the uttermost. Below is given a form of Discount Register for the use of a bank or other commercial house carrying large numbers of notes. An appeal is made to the practical accountant, who will, to a large extent, determine its value on its merits. Hence it will be necessary only to call attention to the leading features. The idea is not copyrighted, and the form can easily be made up by the stationers.

Two columns are given for partial payments. By making the figures small, space will be had for six partial payments on each note. The column "Amount Paid" sometimes found, is omitted as unnecessary. When the first partial payment is made on any note, a check mark should be made opposite the note in the "Check" column.

The main feature of this register is the facility it affords for periodically scheduling and proving up the unpaid notes. In making such a schedule it will be only necessary to set down the number of the unpaid note and cast the eye across the vacant space to find the amount. If a check mark occurs, the unpaid balance must be computed and set down.

The schedule should contain merely the numbers and amounts of all the unpaid notes, commencing with the lowest number. The amounts should be footed, and the result compared with the balance shown in the general Ledger.

Afterwards the *actual notes* should be compared with the list, and the list checked accordingly.

It is designed to have space for fifty notes on each double page of the register. In the "Number" columns the *units and tens figures* should be printed, and the number of hundreds written in at the top of each column.

Left-hand page.

DISCOUNT.

Date.			Time.			Maturity.			No.	Maker.	Indorser.	Where Payable.
									1 2 3 4			

REGISTER.

Right-hand page.

When Disc'd.	No.	When Paid.	Check.	Amount	Partial Payments.								Rate Int.	Amt. Disc'd.	Remarks.
	1 2 3 4				Y.	M.	D.	Amt.	Y.	M.	D.	Amt.			

REVERSE POSTING BOOK.

A simple and complete form for a Daily Test or Reverse Posting Book is given below (in "Soulé's New Science and Practice of Accounts," form and explanation of which we take the liberty of extracting for the benefit of our readers). The value of such a book to those who often require to know upon which side of the Ledger an error has been made is apparent. The author's explanation is as follows:

The monthly total columns of this book show the aggregate amount of business transacted, and the footings of these columns are the same as the footings of the trial balance at the close of the month. The monthly totals for each succeeding month will be added to the preceding

amounts, and thus the result will always be the same as the aggregate debit and credit of the Ledger or of the trial balance.

These totals may be made daily, if desired. When the books are balanced and the balances brought down, they should be entered in the "Monthly Totals" columns, if it is desired to have these columns show the total debits and credits of the Ledger.

Should there be other books used as posting mediums, then a column for such books should be arranged in the Daily Test or Reverse Posting Book.

DAILY TEST OR REVERSE POSTING BOOK.

DATE.	I. B.		S. B.		CASH BOOK.		JOURNAL		MONTHLY TOTALS
	L. F.	Credits.	L. F.	Debits.	Sund. Dr.	L. F.	Sund. Cr.	L. F.	
189— Jan 1		500 00 400 00 600 00		300 00 250 00 400 00 720 00	300 00 400 00 100 00		8,000 00 100 00 240 00	Dr. 200 00 500 00 700 00y	200 00 500 00 700 00y
Jan 2		1,500 00y 350 00 270 00 800 00		1,670 00y 450 00 640 00 130 00	800 00y 200 00 150 00 380 00		8,340 00y 50 00 200 00 140 00	Dr. 175 00 340 00 1,215 00y	100 00 75 00 340 00
Jan 30		2,920 00y 200 00 300 00 400 00 500 00		560 00 3,450 00y 400 00 350 00 580 00 200 00	1,550 00y 250 00 150 00 420 00 105 00 100 00		8,730 00y 100 00 200 00 300 00 450 00 9,780 00y	Dr. 410 00 1,625 00y 1,625 00y	350 00 60 00 1,625 00y
Mdse	Dr.	4,320 00y 4,320 00y	Cr.	5,040 00y 5,040 00y	2,645 00y 9,780 00y				1,625 00 9,780 00 2,645 00 5,040 00 4,320 00 23,410 00
				Cash			2,645 00y		23,410 00

COLLECTOR'S BLANK.

A handy blank for collectors' use has been copyrighted by Messrs. Wm. G. Johnson & Co., of Pittsburgh, Pa., who are publishers of it. The following diagram explains the idea. These blanks are of a convenient size for carrying in the pocket, and are put up in pads of 100 each. The matter printed in italic illustrates the manner in which the blanks are to be used by the collector.

Folio,	200.	Amount.	\$39.70
Name,	<i>Henry Smith & Co.</i>		
Address,	<i>43 Fifth Avenue.</i>		
MONTH OF PURCHASE.			
Jan. 8.00	April.	July.	Oct.
Feb. 20.00	May.	Aug.	Nov.
Mar. 11.70	June.	Sept.	Dec.
Date. 12th.	Collector, <i>John Henry.</i>		
1	Reply, <i>Statement not Examined.</i>		
Date. 20th.	Collector, <i>John Henry.</i>		
2	Reply, <i>Book-keeper out.</i>		
Date. 22d.	Collector, <i>John Henry.</i>		
3	Reply, <i>Call 25th.</i>		
Date. 25th.	Collector, <i>John Henry.</i>		
4	Reply, <i>Settled.</i>		
Date.	Collector,		
5	Reply,		
Date.	Collector,		
6	Reply,		

PAY-ROLL HELP.

Every "regularly ordained" cashier who does nothing but attend to the duties of that office, is doubtless provided with a tabular rate-list, by the use of which much of his time is economized. However, there are many book-keepers who have this duty in connection with their other work, and possibly a number of our readers who have to compute the pay-roll each week or month not having yet thought of the advantage of such a help, or perhaps taken the trouble to secure such a table.

With a view to putting this aid directly in front of the office men who may need it, we have prepared a table embracing the rate of pay by hours and days from \$7 to \$15, which will include the figures most needed. These may be added to indefinitely as the necessities of the case demand.

FROM HALF HOUR TO FOUR WEEKS.

Hours.	Rate per Week.									
	\$7 00	\$7 50	\$8 00	\$9 00	\$10 00	\$11 00	\$12 00	\$13 00	\$14 00	\$15 00
$\frac{1}{2}$	6	6	7	8	8	9	10	11	12	12
1	12	13	13	15	17	18	20	22	23	25
2	23	25	27	30	33	37	40	43	47	50
3	35	37	40	45	50	55	60	65	70	75
4	47	50	53	60	67	73	80	87	93	1 00
5	58	62	67	75	83	92	1 00	1 08	1 17	1 25
6	70	75	80	90	1 00	1 10	1 20	1 30	1 40	1 50
7	82	87	93	1 05	1 17	1 28	1 40	1 52	1 63	1 75
8	93	1 00	1 07	1 20	1 33	1 47	1 60	1 73	1 87	2 00
9	1 05	1 12	1 20	1 35	1 50	1 65	1 80	1 95	2 10	2 25

Days.

First Week.	1	1 17	1 25	1 33	1 50	1 67	1 83	2 00	2 17	2 33	2 50
	2	2 33	2 50	2 67	3 00	3 33	3 67	4 00	4 33	4 67	5 00
	3	3 50	3 75	4 00	4 50	5 00	5 50	6 00	6 50	7 00	7 50
	4	4 67	5 00	5 33	6 00	6 67	7 33	8 00	8 67	9 33	10 00
	5	5 83	6 25	6 67	7 50	8 33	9 17	10 00	10 83	11 67	12 50
	6	7 00	7 50	8 00	9 00	10 00	11 00	12 00	13 00	14 00	15 00
Second Week.	7	8 17	8 75	9 33	10 50	11 67	12 83	14 00	15 17	16 33	17 50
	8	9 33	10 00	10 67	12 00	13 33	14 67	16 00	17 33	18 67	20 00
	9	10 50	11 25	12 00	13 50	15 00	16 50	18 00	19 50	21 00	22 50
	10	11 67	12 50	13 33	15 00	16 67	18 33	20 00	21 67	23 33	25 00
	11	12 83	13 75	14 67	16 50	18 33	20 17	22 00	23 83	25 67	27 50
	12	14 00	15 00	16 00	18 00	20 00	22 00	24 00	26 00	28 00	30 00
Third Week.	13	15 17	16 25	17 33	19 50	21 67	23 83	26 00	28 17	30 32	32 50
	14	16 33	17 50	18 67	21 00	23 33	25 67	28 00	30 33	32 67	35 00
	15	17 50	18 75	20 00	22 50	25 00	27 50	30 00	32 50	35 00	37 50
	16	18 67	20 00	21 33	24 00	26 67	29 33	32 00	34 67	37 33	40 00
	17	19 83	21 25	22 67	25 50	28 33	31 17	34 00	36 83	39 67	42 50
	18	21 00	22 50	24 00	27 00	30 00	33 00	36 00	39 00	42 00	45 00
Fourth Week.	19	22 17	23 75	25 33	28 50	31 67	34 83	38 00	41 17	44 33	47 50
	20	23 33	25 00	26 67	30 00	33 33	36 67	40 00	43 33	46 67	50 00
	21	24 50	26 25	28 00	31 50	35 00	38 50	42 00	45 50	49 00	52 50
	22	25 67	27 50	29 33	33 00	36 67	40 33	44 00	47 67	51 33	55 00
	23	26 83	28 75	30 67	34 50	38 33	42 17	46 00	49 83	53 67	57 50
	24	28 00	30 00	32 00	36 00	40 00	44 00	48 00	52 00	56 00	60 00

CONSIGNMENT ACCOUNT.

The Eureka Fire Hose Co., of New York, carries a full line of their goods in our establishment, to be paid for when sold. Said goods comprise a great variety of features in point of style, size, kind, price, quality, etc., and an accurate record of each has, of course, to be kept. Each shipment is billed to us in the gross—that is, at list prices—and we report sales at list prices, less our commission for selling. Our practice is to take an account of stock on hand at the expiration of each month, and report amount of sales for the preceding month, the net amount of which then becomes a cash indebtedness, which we are supposed to liquidate within 30 days.

In view of the fact that this stock of goods is not ours, but remains in the name of the manufacturers, no entry is made of them in our regular books, except at the expiration of each month, when we credit consignors with net amount of sales for preceding month in accordance with report rendered.

For keeping an accurate record of this stock I use a book known as a "Consignment Book," ruled in the form of a Ledger, but with extra space on each line between date and amount, to admit of writing in detailed particulars of each invoice. This book is divided into as many departments as there are kinds of hose, each being devoted exclusively to the particular one which it represents. As a rule each invoice from the manufacturers covers a variety of articles, but, in crediting it in the consignment book, I analyze it completely, crediting each item under its proper department. By this means I can always tell at a glance the exact amount of each kind of goods on hand, without being obliged to take an inventory. In reporting sales at the end of each month I charge the various accounts with the total amount sold from each, and the balance must agree with the stock on hand.

The accompanying diagram is an exact *fac-simile* of the form of blank which I use in reporting sales, reduced in size. As may be observed, it is capable of containing a complete record of the business to date as regards the amount and value of goods received, sold, and on hand, in fact serves as a transcript of the consignment book above referred to.

At the expiration of each month one of these blanks is filled out in accordance with the business done, as shown by the books, and sent to the manufacturers, after having deducted our commissions and crediting the net amount in our regular books.

ACCOUNT SALES OF CONSIGNED HOSE,

By.....for Eureka Fire Hose Company, of New York, for the month ending.....189..

Kind.	Size.	On Hand 1st Inst.	Receiv'd Since.	Total Feet.	On Hand Now, Total Feet.	Sold, Total Feet.	Price.	Gross Amount.	Net Amount.

(Please note on this sheet "Goods in Transit," as per Invoices received.)

MATURITY TABLE

FOR 30, 60 AND 90 DAY PAPER. GOOD FROM MARCH 1, 1892, TO OCTOBER 31, 1895.

<i>January.</i> 30 days —1 60 “ +1 90 “ †	<i>February.</i> 30 days +2 60 “ +1 90 “ +1	<i>March.</i> 30 days —1 60 “ —1 90 “ —2
<i>April.</i> 30 days † 60 “ —1 90 “ —1	<i>May.</i> 30 days —1 60 “ —1 90 “ —2	<i>June.</i> 30 days † 60 “ —1 90 “ —2
<i>July.</i> 30 days —1 60 “ —2 90 “ —2	<i>August.</i> 30 days —1 60 “ —1 90 “ —2	<i>September.</i> 30 days † 60 “ —1 90 “ —1
<i>October.</i> 30 days —1 60 “ —1 90 “ —2	<i>November.</i> 30 days † 60 “ —1 90 “ —2	<i>December.</i> 30 days —1 60 “ —2 90 “ ..

Explanations.

This table furnishes a very ready means of finding the exact maturity of 30, 60 and 90 day paper. Count 30 days one month, 60 days two months, and 90 days three months, to find the approximate maturity which is to be corrected from the table. Under the name of the month in which the note is dated, find the appropriate correction. +2 signifies that two days are to be added to the approximate maturity; —2 signifies that two days are to be subtracted therefrom. A † denotes that no correction is to be made, but that the approximate and actual maturity are the same. Add for grace, giving due attention to Sundays and legal holidays.

THE CANADIAN INTEREST RULE.

This rule of computing interest appears in some Canadian text-books, and, though simply a modification of other rules, is worthy of a place in this work.

To find the interest on \$724 for $5\frac{1}{2}$ months at 6 per cent, all you have to do is to divide by 4 and multiply by 11.

4) 724

181 × 11 = 19.91

The rule is to divide the principal by 4, and to multiply the quotient by one-third of the product of the rate by the time in months. Six times $5\frac{1}{2}$ = 33, and one-third of 33 is 11. Apply this rule to a few examples. If the time be expressed in years, multiply one-fifth of the principal by one-half the product of the rate by the number of years, and remove the decimal point one place to the left.

THE DETROIT INTEREST RULE.

A simple rule for accurately computing interest at any given per cent for any length of time. Multiply the principal (amount of money at interest) by the time, reduced to days; then divide this product by the quotient obtained by dividing 360 (the number of days in the interest year) by the per cent of interest, and the quotient thus obtained will be the required interest. Require the interest of \$462.50 for one month and eighteen days at 6 per cent. An interest month is 30 days; one month and 18 days equals 48 days. \$462.50 multiplied by .48 gives \$222.0000; 360 divided by 6 (the per cent of interest) gives 60, and \$222.0000 by 60 will give you the exact interest, which is \$3.70. If the rate of interest in the above example were 12 per cent, we would divide the \$222.0000 by 30 (because 360 divided by 12 gives 30); if 4 per cent, we would divide by 90; if 8 per cent, by 45; and in like manner for any other per cent.

462.50
 .48
 370000
 6)360 185000
 60)222.0000(3.70
 180
 420
 420

ANOTHER INTEREST METHOD.

To find the interest on a sum of money for any number of days, multiply the principal by the number of days; then, for 6 per cent, divide by 60; for 7 per cent divide by 51; for 8 per cent divide by 45; for 9 per cent divide by 40; for 10 per cent by 36.

HOW TO PROVE ADDITION IN TEN SECONDS.

This proof of addition is now published for the first time. Nothing more.

simple or practical has ever been made public. It is a modification of the old method of casting out the nines :

$$\begin{array}{rcl}
 234213 & =15= & 6 \\
 349842 & =30= & 3 \\
 456312 & =21= & 3 \\
 987645 & =39=12= & 3 \\
 527337 & =27= & 9 \\
 428569 & =34= & 7 \\
 436852 & =28 \quad 10= & 1 \\
 \hline
 3420770 & =23= & 5
 \end{array}
 \left. \vphantom{\begin{array}{rcl} 234213 \\ 349842 \\ 456312 \\ 987645 \\ 527337 \\ 428569 \\ 436852 \end{array}} \right\} =32=5$$

It takes a good many figures to explain this rule, but very few to apply it. Add the figures in each line. The first adds to 15, and the sum of these two figures (1+5) is 6. The second line adds to 30, and 3+0 equals 3. The third line adds to 21, and 2+1 equals 3. The fourth line adds to 39, and 3+9 equals 12, and 1+2 equals 3. In each case keep on adding until you have reduced the line to one figure. Now find the sum of all these unitates, and we get 32, which gives (3+2) a final unitate 5. Then find the unitate of the answer, and you will get 23, which gives (2+3) a final unitate 5. If the addition is correct, the final unitate will be the same. Note the example below :

$$\begin{array}{rcl}
 9876 & =30= & 3 \\
 8949 & =30= & 3 \\
 5678 & =26= & 8 \\
 9843 & =24= & 6 \\
 2698 & =25= & 7 \\
 3987 & =27= & 9 \\
 5425 & =16= & 7 \\
 \hline
 46456 & =25= & 7
 \end{array}
 \left. \vphantom{\begin{array}{rcl} 9876 \\ 8949 \\ 5678 \\ 9843 \\ 2698 \\ 3987 \\ 5425 \end{array}} \right\} =43=7$$

You will find that after a little practice it will not be necessary to write down more than the last line of figures, or the unitates.

TO MULTIPLY ANY NUMBER BY 11.

Write the first right-hand figure, add the first and second, the second and third, and so on; finally write the left-hand figure. Carry when necessary.

$$358425 \times 11 = 3942675$$

Put down the right-hand figure 5. Then say, 5 and 2 are 7; then, 2 and 4 are 6; then, 4 and 8 are 12, put down 2 and carry 1; then, 8 and 5 and 1 are 14, put down the 4 and carry 1; then 5 and 3 and 1 are 9; then write the left-hand figure 3. In multiplying small numbers, such as 23 by 11, write the sum of the two figures between the two figures, making 253, the required product. *

TO MULTIPLY BY 101, 1001, ETC.

To multiply by 101, add two ciphers to the multiplicand, and add to this the multiplicand.

$$2563 \times 101 = 256300 + 2563$$

To multiply by 1001, add three ciphers to the multiplicand, and add to this the multiplicand.

$$2563 \times 1001 = 2563000 + 2563$$

TO MULTIPLY NUMBERS ENDING WITH 5.

To multiply two small numbers each of which ends in 5, such as 35 and 75, take the product of the 3 and 7, increase this by one-half the sum of these figures, and prefix the result to 25. Thus:

$$\begin{array}{r} 35 \quad 5 \times 5 = 25 \\ 75 \quad 7 \times 3 = 21, \quad 21 + \frac{1}{2}(7+3) = 26 \\ \hline 2625 \end{array}$$

This rule, though the working of it seems complicated, is very simple. Apply it to the following exercises:

- | | |
|-------------------|--------------------|
| 1. 45×85 | 6. 75×25 |
| 2. 25×35 | 7. 75×55 |
| 3. 95×25 | 8. 95×85 |
| 4. 35×65 | 9. 65×25 |
| 5. 85×55 | 10. 35×45 |

AVERAGING ACCOUNTS.

To find the due date of an account: First, the account consisting entirely of debit items; second, the account consisting entirely of credit items; third, the account consisting of both debit and credit items.

RULE 1. Debit account only. Show opposite each item the due date, and take the first due date as the date to count from; show opposite each item the number of days from the first due date to the due date of this item; multiply each item by the days so found, and carry the product into a special column; divide the sum of this column by the total of the account; the quotient is the number of days to count forward from the first due date to give the average due date of the account.

RULE 2. Credit account only. Do exactly as in Rule 1.

RULE 3. Both debit and credit items in the account. Find the average due date of debit items by Rule 1; find the average due date of credit items by Rule 2; then multiply the total debit or credit side of the account falling due first by difference in days between the due dates of the debit and credit side. Divide

this product by the balance of the account; the quotient is the number of days to count, as follows: *a.* If the larger side of the account falls due first, count back from the latest date. *b.* If the smaller side of the account falls due first, count forward from the latest date. The result is the due date of the balance of the account.

ILLUSTRATION 1. BY RULE 1.

Date of Sale.	Amt.	Due Date.	Days.	Special Col.
Jan. 2	\$1,000	April 2	0	0
April 20	500	July 20	109	54,500
July 15	500	Oct. 15	196	98,000
	\$2,000			152,500

$\frac{152,500}{2,000} = 77$ days. The first due date is April 2d; add 77 days = June 18th, average due date.

ILLUSTRATION 2.

Date of Payment.	Amt.	Due Date.	Days.	Special Col.
June 2, cash	\$600	June 2	0	0
July 27, note	400	Sept. 30	120	48,000
Nov. 17, draft	200	Dec. 20	201	40,200
	\$1,200			88,200

$\frac{88,200}{1,200} = 74$ days. The first due date, June 2d; add 74 days = August 15th, average due date.

Dr.

ILLUSTRATION 3.

Cr.

Date of Sale.	Amt.	Due Date.	Days.	Special Col.	Date of Payment.	Amt.	Due Date.	Days.	Special Col.
Jan. 2	\$1,000	April 2	0	0	June 2	\$600	June 2	0	0
April 20	500	July 20	109	54,500	July 27	400	Sept. 30	120	48,000
July 15	500	Oct. 15	196	98,000	Nov. 17	200	Dec. 20	201	40,200
	\$2,000			152,500		\$1,200			88,200

By Rule 1 we find average due date of debits is June 18. By Rule 2 we find average due date of credits is August 15. By Rule 3, as the \$2,000 falls due first, we multiply it by the difference in days between the due dates of the two sides, *i. e.*, 58 days, and divide by the balance of the account $\frac{2,000 \times 58}{800} = 145$ days, and by Rule 3 (*a*), as the larger side falls due first, we count 145 days *back* from August 15 = March 23, the average due date of the account.

It is immaterial if the account runs over into two or more years.

It is immaterial if the account changes one or more times from a debit to a credit balance, or vice versa.

Dr.

ILLUSTRATION 4.

Cr.

Date of Sale.	Amt.	Due Date.	Days.	Special Col.	Date of Payment	Amt.	Due Date.	Days.	Special Col.
July 15, '89	\$300	Dec. 15, '89	122	36,600	Aug. 10, '89	\$100	Aug. 10, '89	0	0
Aug. 15, '89	200	Aug. 15, '89	0	0	Oct. 15, '89	500	Oct. 15, '89	66	33,000
Dec. 10, '89	100	March 10, '90	207	20,700	March 10, '89	50	Nov. 10, '89	92	41,600
March 5, '90	400	Sept. 5, '90	386	154,400	April 10, '90	100	April 10, '90	243	24,300
Dec. 20, '91	500	March 20, '92	947	473,500	Dec. 1, '91	800	Dec. 1, '91	843	674,400
	\$1,500			685,200		\$1,550			736,300

$\frac{685,200}{1,500} = 457$ days = 1 year and 75 days; add to Aug. 15, '89, = Oct. 29, '90, the average due date.

$\frac{736,300}{1,550} = 475$ days = 1 year and 90 days; add to Aug. 10, '89 = Nov. 8, '90, average due date.

By Rule 3: $\frac{1,500 \times 10}{50} = 300$ days, and by Rule 3 (*b*), add to November 8, '90 = September 4, '91, the due date for the balance of the account.

Proof.—Interest on \$1,500 from October 29, '90, to September 4, '91, at 6% = \$76.42; interest on \$1,550 from November 8, '90, to September 4, '91, at 6% = \$76.42.

NEW METHOD OF AVERAGING ACCOUNTS.

The following rule for averaging accounts is taken from Ropp's Commercial Calculator, a valuable little work:

Compute the interest at 12 per cent on each item from January 1, adding in the time of credit, if there be any; then find the balance of interest and balance of account, and divide the balance of interest by one month's interest of the balance of account. The quotient will be the time in months and decimals of a month.

Count this time *forward* from focal date if the balance of account and balance of interest are both on the same side; *backward*, if on opposite sides.

Assuming January 1, preceding the earliest date in the account, as the focal date, makes it convenient to find the time. Thus, to March 25 is 2 months, 24 days; to June 1, just 5 months; to August 6 is 7 months, 5 days, etc.

Illustration.

From what date should the balance of the following account draw interest?

Dr.	LEVI BLUMENTHAL.		Cr.
Mar. 25. To Mdse.....	\$400 00	Apr. 7. By Cash.....	\$250 00
Apr. 19. " 	300 00	May 1. " 	150 00

Operation.

Mar. 25. \$400, int. 2 mo. 24 da..	\$11 20	Apr. 7. \$250, int. 3 mo. 6 da....	\$8 00
Apr. 19. 300, " 3 " 18 " ..	10 80	May 1. 150, " 4 "	6 00
Debt....\$700, " on Debt.....	\$22 00	Credit, \$400, " on Credit.....	\$14 00
Credit... 400, " Credit	14 00		
\$300, bal. of Acct.	\$8 00	bal. on In.	

The interest on balance of account (\$300) for 1 mo.=\$3; and to produce \$8 (bal. of in.), it will take \$300 ($8 \div 3$) $2\frac{2}{3}$ mo., or 2 months and 20 days.

The balance of account and the balance of interest being both on the same side, the time, 2 months and 20 days, must be counted *forward* from the focal date, showing that the balance of account should draw interest from March 21.

If each debt had 30 days' credit, the interest on it would have been reckoned for 1 month more, making it \$29 instead of \$22; the balance \$15 instead of \$8, and the time of credit 5 months, or to June 1, instead of 2 months and 20 days, or to March 21.

TABLE OF TIME, IN DAYS.

The following table gives the exact time, in days, between two dates ; thus, required the time from February 10 to October 18, in the same year. February 10 is numbered 41, and October 18 is numbered 291 ; $291 - 41 = 250$, *Ans.* This includes the last day, but not the first. If both days are taken, subtract 40 from $291 = 251$, *Ans.* When February 29 occurs in a term, count an additional day. The day of the *date* of a note is not included in its term ; thus, required the last day of grace of a note dated March 24, at 90 days. $\text{March } 24 = 83$; $83 + 93 = 176 = \text{June } 25$, *Ans.*

Jan.	Feb.	Mar.	April	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
1	32	60	91	121	152	182	213	244	274	305	335
2	33	61	92	122	153	183	214	245	275	306	336
3	34	62	93	123	154	184	215	246	276	307	337
4	35	63	94	124	155	185	216	247	277	308	338
5	36	64	95	125	156	186	217	248	278	309	339
6	37	65	96	126	157	187	218	249	279	310	340
7	38	66	97	127	158	188	219	250	280	311	341
8	39	67	98	128	159	189	220	251	281	312	342
9	40	68	99	129	160	190	221	252	282	313	343
10	41	69	100	130	161	191	222	253	283	314	344
11	42	70	101	131	162	192	223	254	284	315	345
12	43	71	102	132	163	193	224	255	285	316	346
13	44	72	103	133	164	194	225	256	286	317	347
14	45	73	104	134	165	195	226	257	287	318	348
15	46	74	105	135	166	196	227	258	288	319	349
16	47	75	106	136	167	197	228	259	289	320	350
17	48	76	107	137	168	198	229	260	290	321	351
18	49	77	108	138	169	199	230	261	291	322	352
19	50	78	109	139	170	200	231	262	292	323	353
20	51	79	110	140	171	201	232	263	293	324	354
21	52	80	111	141	172	202	233	264	294	325	355
22	53	81	112	142	173	203	234	265	295	326	356
23	54	82	113	143	174	204	235	266	296	327	357
24	55	83	114	144	175	205	236	267	297	328	358
25	56	84	115	145	176	206	237	268	298	329	359
26	57	85	116	146	177	207	238	269	299	330	360
27	58	86	117	147	178	208	239	270	300	331	361
28	59	87	118	148	179	209	240	271	301	332	362
29	..	88	119	149	180	210	241	272	302	333	363
30	..	89	120	150	181	211	242	273	303	334	364
31	..	90	..	151	..	212	243	..	304	..	365

A CALENDAR,

FOR ASCERTAINING ANY DAY OF THE WEEK FOR ANY GIVEN TIME WITHIN THE PRESENT CENTURY.

YEARS OF 1801 TO 1900.										31 Jan.	28 Feb.	31 March.	30 April.	31 May.	30 June.	31 July.	31 August.	30 Sept.	31 Oct.	30 Nov.	31 Dec.					
1801	1807	1818	1829	1835	1846	1857	1863	1874	1885	1891	4	7	7	3	5	1	3	6	2	4	7	2				
1802	1813	1819	1830	1841	1847	1858	1869	1875	1886	1897	5	1	1	4	6	2	4	7	3	5	1	3				
1803	1814	1825	1831	1842	1853	1859	1870	1881	1887	1898	6	2	2	5	7	3	5	1	4	6	2	4				
1805	1811	1822	1833	1839	1850	1861	1867	1878	1889	1895	2	5	5	1	3	6	1	4	7	2	5	7				
1806	1817	1823	1834	1845	1851	1862	1873	1879	1890		3	6	6	2	4	7	2	5	1	3	6	1				
1809	1815	1826	1837	1843	1854	1865	1871	1882	1893	1899	7	3	3	6	1	4	6	2	5	7	3	5				
1810	1821	1827	1838	1849	1855	1866	1877	1883	1894	1900	1	4	4	7	2	5	7	3	6	1	4	6				
Leap Years.											..	29	..	..	..	..	..	..	..	..	..	..				
NOTE.—To ascertain any day of the week in any year of the present century, first look in the table of years for the year required, and under the months are figures which refer to the corresponding figures at the head of the columns of days below. <i>For Example:</i> To know what day of the week May 4 will be on in 1877, in the table of years, look for 1877, and in a parallel line under May is figure 2, which directs to column 2, in which it will be seen that May 4 falls on Friday.											1804	1832	1860	1888	7	3	4	7	2	5	7	3	6	1	4	6
											1808	1836	1864	1892	5	1	2	5	7	3	5	1	4	6	2	4
											1812	1840	1868	1896	3	6	7	3	5	1	3	6	2	4	7	2
											1816	1844	1872		1	4	5	1	3	6	1	4	7	2	5	7
											1820	1848	1876		6	2	3	6	1	4	6	2	5	7	3	5
											1824	1852	1880		4	7	1	4	6	2	4	7	3	5	1	3
											1828	1856	1884		2	5	6	2	4	7	2	5	1	3	6	1

NOTE.—To ascertain any day of the week in any year of the present century, first look in the table of years for the year required, and under the months are figures which refer to the corresponding figures at the head of the columns of days below. *For Example:* To know what day of the week May 4 will be on in 1877, in the table of years, look for 1877, and in a parallel line under May is figure 2, which directs to column 2, in which it will be seen that May 4 falls on Friday.

1	2	3	4	5	6	7
Monday 1	Tuesday 1	Wednesday 1	Thursday 1	Friday 1	Saturday 1	Sunday 1
Tuesday 2	Wednesday 2	Thursday 2	Friday 2	Saturday 2	Sunday 2	Monday 2
Wednesday 3	Thursday 3	Friday 3	Saturday 3	Sunday 3	Monday 3	Tuesday 3
Thursday 4	Friday 4	Saturday 4	Sunday 4	Monday 4	Tuesday 4	Wednesday 4
Friday 5	Saturday 5	Sunday 5	Monday 5	Tuesday 5	Wednesday 5	Thursday 5
Saturday 6	Sunday 6	Monday 6	Tuesday 6	Wednesday 6	Thursday 6	Friday 6
Sunday 7	Monday 7	Tuesday 7	Wednesday 7	Thursday 7	Friday 7	Saturday 7
Monday 8	Tuesday 8	Wednesday 8	Thursday 8	Friday 8	Saturday 8	Sunday 8
Tuesday 9	Wednesday 9	Thursday 9	Friday 9	Saturday 9	Sunday 9	Monday 9
Wednesday 10	Thursday 10	Friday 10	Saturday 10	Sunday 10	Monday 10	Tuesday 10
Thursday 11	Friday 11	Saturday 11	Sunday 11	Monday 11	Tuesday 11	Wednesday 11
Friday 12	Saturday 12	Sunday 12	Monday 12	Tuesday 12	Wednesday 12	Thursday 12
Saturday 13	Sunday 13	Monday 13	Tuesday 13	Wednesday 13	Thursday 13	Friday 13
Sunday 14	Monday 14	Tuesday 14	Wednesday 14	Thursday 14	Friday 14	Saturday 14
Monday 15	Tuesday 15	Wednesday 15	Thursday 15	Friday 15	Saturday 15	Sunday 15
Tuesday 16	Wednesday 16	Thursday 16	Friday 16	Saturday 16	Sunday 16	Monday 16
Wednesday 17	Thursday 17	Friday 17	Saturday 17	Sunday 17	Monday 17	Tuesday 17
Thursday 18	Friday 18	Saturday 18	Sunday 18	Monday 18	Tuesday 18	Wednesday 18
Friday 19	Saturday 19	Sunday 19	Monday 19	Tuesday 19	Wednesday 19	Thursday 19
Saturday 20	Sunday 20	Monday 20	Tuesday 20	Wednesday 20	Thursday 20	Friday 20
Sunday 21	Monday 21	Tuesday 21	Wednesday 21	Thursday 21	Friday 21	Saturday 21
Monday 22	Tuesday 22	Wednesday 22	Thursday 22	Friday 22	Saturday 22	Sunday 22
Tuesday 23	Wednesday 23	Thursday 23	Friday 23	Saturday 23	Sunday 23	Monday 23
Wednesday 24	Thursday 24	Friday 24	Saturday 24	Sunday 24	Monday 24	Tuesday 24
Thursday 25	Friday 25	Saturday 25	Sunday 25	Monday 25	Tuesday 25	Wednesday 25
Friday 26	Saturday 26	Sunday 26	Monday 26	Tuesday 26	Wednesday 26	Thursday 26
Saturday 27	Sunday 27	Monday 27	Tuesday 27	Wednesday 27	Thursday 27	Friday 27
Sunday 28	Monday 28	Tuesday 28	Wednesday 28	Thursday 28	Friday 28	Saturday 28
Monday 29	Tuesday 29	Wednesday 29	Thursday 29	Friday 29	Saturday 29	Sunday 29
Tuesday 30	Wednesday 30	Thursday 30	Friday 30	Saturday 30	Sunday 30	Monday 30
Wednesday 31	Thursday 31	Friday 31	Saturday 31	Sunday 31	Monday 31	Tuesday 31

MARKING GOODS.

In buying goods the merchant is often at a loss to know whether the price of the article suits his market or not; and if he is not a good accountant it often takes him some time to determine. Those who buy largely can best appreciate the value of a short method of calculating the percentage desired.

If you wish to calculate the per cent on a single article, the following is considered the best method: If you wish to sell an article at any of the following per cents, say the article cost 70 cents, and you wish to make

10	per cent,	Divide by 10, multiply by 11=77
20	"	" 10, " 12=84
25	"	Multiply by 10, divide by 8=87½
30	"	Divide by 10, multiply by 13=91
33⅓	"	Add ⅓ of itself. =93⅓
33⅓	"	Divide by 3, multiply by 4=93⅓
50	"	Add ½ of itself. =1 05

Another method of making 25 per cent profit is to cut off the right-hand figure, and you have the price in shillings and pence. Thus, if you buy an article for 60 cents, and wish to gain 25 per cent, cut off the right-hand figure and you have 6 shillings, or 12½ cents each, or 75 cents, the cost with 25 per cent added. If the figure you cut off is not a cipher, add ¼, thus: 3 cents, add ¾; 5 cents, 1¼; 6 cents, 1½, etc.

Example.—Suppose an article cost 74 cents, and you wish to make it 25 per cent advance, cut off the right-hand figure and you have 7 s. 4 d., 4=¼=1, added to 4=5, 7 s.=87½+5=92½ cents.

How to mark an article bought by the dozen to make 20 per cent. Remove the decimal point one place to the left.

Example.—Suppose a lot of hats cost \$2.50 per dozen, by removing the decimal point one place to the left we have 20 per cent and cost, or .25 apiece for the hats. To ascertain any other per cent, we take the basis at 20 per cent and add or subtract, as the case may be.

To make 25 per cent, remove the point one place to the left, and add ¼.

To make 30 per cent add ⅓ itself.

"	33⅓	"	"	⅓	"
"	35	"	"	⅓	"
"	38⅓	"	"	⅓	"
"	40	"	"	⅓	"
"	44	"	"	⅓	"
"	50	"	"	⅓	"
"	60	"	"	⅓	"
"	80	"	"	⅓	"

These additions must be made after removing the point as above directed, and this sum will always be the selling price of a single article.

The above table contains all the per cents generally used in business, and can easily be applied.

This rule is very valuable to the merchant in buying goods. Suppose he buys his goods at auction, he does not have sufficient time to make extensive calculations before the goods are cried off; but by knowing that at 20 per cent profit he need not change a figure, he can tell instantly whether he can afford to buy those goods or not.

It is customary for merchants to have a private mark, denoting the cost and often the selling price. These marks are sometimes made up of peculiar characters, but mostly letters of the alphabet that represent the nine digits. For example:

BLACK HORSE

1 2 3 4 5 6 7 8 9 0

Suppose an article cost \$2.25, and you wish to sell it for \$5.00, the mark would be thus: ^{ilk}_{kec.}

Usually they have what is called a repeater, that is to be used where a letter is repeated, as above. Suppose G to be the repeater; then, instead of using the letters L and E twice, we insert the repeater, thus: ^{lgk}_{keg.} It sometimes happens that there are but two letters in the cost price and three in the selling price. To avoid this, place the letter representing 0 as the first letter in the cost, thus: write 75 cents cost, \$1.00 selling price, ^{eok}_{beg.}

BUSINESS POINTERS.

Demand notes are payable on presentation, without grace, and bear legal interest after a demand has been made, if not so written. An indorser on a demand note is holden only for a limited time, variable in different States.

A negotiable note must be made payable either to bearer or order; if to order, must be properly indorsed by the person to whose order it is made. If the indorser wishes to avoid responsibility, he can indorse "without recourse."

A joint and several note is one signed by two or more persons, who each become liable for the whole amount.

Three days' grace are allowed on all time notes, after the time for payment expires; if not then paid, the indorser, if any, should be legally notified, to be holden.

"For value received" is usually inserted in a note, and should be, but is not absolutely necessary, as it is presumed by the law, or supplied by proof.

Notes falling due Sunday, or on a legal holiday, may be paid the day after—(?) Michigan the day before. Notes dated Sunday are void.

Altering a note in any manner, by the holder, makes it void.

The maker of a note that is lost or stolen, is not released from payment, if the amount and consideration can be proven.

If a note is transferred as security, or even as payment of a pre-existing debt, the debt revives if the note be dishonored.

Notes obtained by fraud, or given by intoxicated persons, cannot be collected.

An indorser has the right of action against all whose names were indorsed previous to his.

An indorsement may be written on the face or back.

A note by a minor is void.

Notes bear interest only when so stated.

The maker of an "Accommodation" bill or note (one for which he has received no consideration, having lent his name or credit for the accommodation of the holder), is not bound to the person accommodated, but is bound to all other parties, precisely as if there was a good consideration.

A note indorsed in blank (the name of the indorser only written) is transferable by delivery, the same as if made payable to bearer.

If the time of payment of a note is not inserted, it is held payable on demand.

The time of payment of a note must not depend upon a contingency. The promise must be absolute.

A bill may be written upon any paper, or substitute for it, either in ink or pencil.

The payee should be distinctly named in a note, unless it is payable to bearer.

If letter containing a protest or non-payment be put into the postoffice, any miscarriage does not affect the party giving notice.

Notice of protest may be sent either to the place of business or the residence of the party notified.

The holder of a note may give notice of protest either to all the previous indorsers, or to only one of them; in case of the latter, he may select the last indorser, and the last must give notice to the last before him, and so on. Each indorser must send notice the same day or the day following. Neither Sunday nor legal holiday is to be counted in reckoning the time in which notice is to be given.

The loss of a bill or note is not sufficient excuse for not giving notice of protest.

If two or more persons as partners are jointly liable on a note or bill, due notice to one of them is sufficient.

The finder of negotiable paper, as of all other property, must make reasonable efforts to find the owner before he is entitled to appropriate it for his own purposes. If the finder conceal it, he is liable to the charge of larceny or theft.

Joint payees of a bill or note, who are not partners, must all join in an indorsement.

One may make a note payable to his own order. He must then write his name upon the back or across its face, the same as any other indorser.

After the death of the holder of a bill or note, his executor or administrator may transfer it by his indorsement.

The husband who acquires a right to a bill or note which was given to the wife, either before or after marriage, may indorse it.

An agreement without consideration is void.

Contracts made on Sunday cannot be enforced.

A contract made with a minor is void.

A contract made with a lunatic is void.

Each individual in a partnership is responsible for the whole amount of the debts of the firm, except in cases of special partnership.

A verbal promise to pay, made without conditions, is generally held as sufficient to revive a claim otherwise shut out by the law of limitation.

An oral agreement must be proved by evidence. A written agreement proves itself. The law prefers written to oral evidence, because of its precision.

No evidence may be introduced to contradict or vary a written contract, but it may be received in order to explain it, when such contract is in need of explanation.

Checks or drafts must be presented for payment without unreasonable delay.

Checks or drafts should be presented during business hours; but in this country, except in the case of banks, the time extends through the day and evening.

If the drawee of a check or draft has changed his residence, the holder must use due or reasonable diligence to find him.

If one who holds a check, as payee or otherwise, transfers it to another, he has a right to insist that the check be presented that day, or at farthest on the day following.

The acts of one partner bind all the rest.

If a debtor owes several debts, and pays a sum of money to the creditor, he has the right to designate the particular debt to which the payment shall apply, and the creditor must so appropriate it.

If, when a debt is due, the debtor is out of the State, the "six years" do not begin to run until he returns. If he afterwards leave the State, the time forward counts the same as if he remained in the State.

Except in case of absence from the State, the "six years" begin when the bill or account is due. In case of a note, they count from the "three days of grace." In case of a note on demand, they count from the time of the demand.

The statute of limitations does not void or cancel the debt, but only provides that no action in law may be maintained after a given time. The statute does not affect collateral security.

Ignorance of the law excuses no one.

The law compels no one to do impossibilities.

It is a fraud to conceal a fraud.

Signatures made with a lead pencil are good in law.

A receipt for money is not always conclusive.

No consideration is sufficient in law, if it be illegal in its nature.

All seals which do not rest upon a seal or judgment must be sued within six years from the time when they arise.

Part payment of a debt which has passed the time of statutory limitation revives the whole debt, and the claim holds good for another period of six years from the date of such partial payment.

Written instruments are to be construed and interpreted by the law, according to the simple, customary and natural meaning of the words used.

"Acceptance" applies to bills, and not to notes. It is an engagement on the part of the person on whom the bill is drawn to pay it according to its tenor. The usual way is to write across the face of the bill the word "Accepted."

A witnessed note does not outlaw for twenty years.

DICTIONARY OF BUSINESS WORDS AND PHRASES.

Accept, to acknowledge by signature, to agree to perform.

Acceptance (1) a formal agreement by signature to pay a draft (2) the common name given to an accepted draft.

Accommodation, the loan of money or signature without valuable consideration.

Accommodation paper, notes or drafts, made to be discounted, and not founded on business transactions.

Account current, an itemized statement of business transactions for a definite period.

Account sales, a statement rendered by a consignee to a consignor, describing in full the sale of a consignment, with charges, etc.

Advance, money paid before the goods are delivered.

Advice, information by letter.

Agent, one authorized to do business for another.

Allowance, a deduction.

Arbitration, a method of settling disputes by leaving the decision to disinterested parties.

Articles of co-partnership, a partnership contract.

Assignee, a person to whom property is intrusted for the benefit of creditors.

Audit, to examine for accuracy.

Auditor, one who audits.

Balance of trade, difference between the exports and imports of a country.

Balance sheet, a statement showing the condition of a business so arranged that the assets and liabilities balance.

Bearer, the person holding or presenting for payment a note or draft.

Bill-head, a printed form used by merchants and others for invoices.

Bill of lading, a written document acknowledging the receipt of certain

commodities, and promising to deliver them at the proper destination in good order.

Bond, a sealed instrument binding the party who signs it to perform a certain act.

Bondsman, one who gives bonds for the performance of any contract.

Brand, (1) a trademark ; (2) a particular kind of goods.

Bullion, uncoined gold or silver.

Cashier, one who has charge of money.

Certified check, one which the bank on which it is drawn has guaranteed.

Circulating medium, money.

Clearing house, a banking exchange for settlements between banks.

Commercial paper, notes, checks and drafts given in payment for valuable consideration.

Consols, the great government security of England, bearing three per cent interest.

Deficit, a deficiency.

Due-bill, a written acknowledgment of a debt.

Exhibit, a written or printed statement of the affairs, particularly the assets, liabilities, and earnings of a business.

Face, the amount of money expressed in commercial paper.

Factor, a commission merchant.

First-hand, obtained directly from the manufacturer.

Fixtures, the part of the furnishings of a house or store which is not movable.

Footing, amount of a column of figures.

Forced sales, sales under necessity, usually by auction.

Forgery, altering a note, check, or draft with fraudulent intent, making or passing a false note or draft.

Guaranty, undertaking to pay a debt or perform a contract of another.

Indemnification, securing against loss, damage or penalty.

Indulgence, extension of time of payment.

Inventory, list of commodities in stock.

Involved, embarrassed by debts.

Jobber, one who buys of manufacturers and sells to retailers.

Letter of attorney, a writing by which one person authorizes another to act in his stead.

Mercantile agency, a company or person that undertakes to give to parties interested the commercial standing of merchants.

Monopoly, the sole right or power to deal in any particular thing.

Notary public, an official before whom oaths are taken, and who protests commercial paper for non-payment.

Overdraw, to draw checks or drafts to an amount greater than one's balance.

Overdue, remaining unpaid after the time of payment.

EXEMPTIONS AND GARNISHMENTS.

STATES.	EXEMPTIONS.			GARNISHMENT.
	Personal Property.		Homestead Exemptions.	Wages Exempt to Head of Family.
	H. of F.	Single.		
	Dollars.	Dollars.	Dollars.	Dollars.
Alabama.....	1,000	1,000	2,000	25 per month
Arkansas.....	500	200	2,500-5,000 M	60 days' wages
California.....	C	A	5,000	One month's wages
Colorado.....	A	H	2,000	Nothing
Connecticut.....	A	H	None	25
Delaware.....	F	Small	None	F
District of Columbia.....	A		None	100
Florida.....	1,000	None	R	All wages
Georgia.....	N	None	N	Wages
Illinois.....	400	100	1,000	50
Indiana.....	600	None	None	None
Iowa.....	D	H	R	90 days' wages
Kansas.....	G	K	R	Three months' wages
Kentucky.....	B	None	1,000	50
Louisiana.....	O	None	O	..
Maine.....	A	A	500 S	20 I
Maryland.....	100	100	None	100
Massachusetts.....	A	A	800	20
Michigan.....	A	H	1,500	25
Minnesota.....	E	L	R	20 L
Mississippi.....	2,000	H	R	100
Missouri.....	A	H	1,500-3,000 M	30 days' wages
Nebraska.....	500	None	2,000	60 days' wages
Nevada.....	A	H	5,000	60
New Hampshire.....	A	H	500	20
New Jersey.....	200	None	1,000	Nothing
New York.....	250	None	1,000	60 days' wages
North Carolina.....	560	500	1,000	...
Ohio.....	A	None	1,000	150
Oregon.....	A	A	None	30 days' wages
Pennsylvania.....	300	300	None	Wages J
Rhode Island.....	A	None	None	10 I
South Carolina.....	500	None	1,000	None
Tennessee.....	2,000	None	1,000	30
Texas.....	B	H	5,000	Wages L
Vermont.....	A	L	500	5 L
Virginia.....	A	None	2,000	50 per month
West Virginia.....	P	H	1,000 S	P
Wisconsin.....	B	B	R	60 per month

A—Numerous and specific articles, including household goods, implements, tools, horses and wagons, provisions, libraries of professionals, stock, etc., ranging in value from \$500 to \$1,000.

B—Same articles as above, irrespective of value.

C—Same articles, irrespective of value, besides mining tools to value of \$500; cabin, \$500; and mining claim actually worked, \$500.

D—Same articles, irrespective of value, besides printing material to value of \$1,200.

E—Same articles, irrespective of value, besides printing material to value of \$2,000.

F—Amounts vary in the several counties.

G—Numerous and specific articles, irrespective of value, besides stock in trade, \$400, and necessary tools, etc.

H—Small number of articles, such as tools, wearing apparel, etc.

I—Except when debt contracted for necessities.

J—Except for four weeks' board.

K—The necessary tools and implements for carrying on any trade, besides goods to \$400.

L—The distinction "head of family" not known.

M—First amount exempt in country and small towns—the other in large cities.

N—Personal property or real estate, or both, to value of \$1,600 in the aggregate.

O—Personal property or real estate, or both, to value of \$2,000 in the aggregate.

P—Personal property or wages, or both, to \$200.

Q—Homestead exemptions in city or town, \$5,000, without regard to value of improvements; in country, see Note R.

R—Certain quantity of land allowed with homestead and improvements, irrespective of value.

S—Provided it is recorded as such.

WHEN TO FILE CLAIMS

AGAINST ESTATE OF DECEASED PERSON, WITH ASSIGNEE, JUSTICE COURT JURISDICTION AND
VALIDITY OF A CHATTEL MORTGAGE.

STATES.	Justice Court Jurisdiction.	Is Chattel Mortgage Valid on Stock of Merchandise? (See Note L.)	Time to File Claim Against Estate of Deceased Person. (See Note J.)	Time in which to File Claim with Assignee. Months.
Alabama	100	No	18 months	B
Arkansas	\$100 & 300 A	No	2 years	3
California	300	No	10 & 4 months D	F
Colorado	300	No	1 year	B
Connecticut	100	No	6 months	3
Delaware	100	Yes	1 year	F
District of Columbia	100	No	1 year	B
Florida	100	Yes	2 years	F
Georgia	100	Yes	1 year	F
Illinois	200	No	2 years	3
Indiana	200	Yes	1 year	12
Iowa	100 & 300 C	Yes	1 year	3
Kansas	300	Yes	3 years	F
Kentucky	50	Yes	G	F
Louisiana	100	No	G	F
Maine	20	Yes	2 years	F
Maryland	100	Yes	6 months	2
Massachusetts	300	Yes	1 year	F
Michigan	100 & 300 A	Yes	6 months	3
Minnesota	100	No	H	20 days
Mississippi	150	No	1 year	F
Missouri	150 to 250 K	No	2 years	F
Nebraska	200	No	H	6
Nevada	300	Yes	10 months	F
New Hampshire	13.33 & 100	No	2 years	6
New Jersey	200	Yes	6 & 9 months	F
New York	100	No	1 year	F
North Carolina	200	No	1 year	F
Ohio	100 to 300 A	No	1 year	6
Oregon	250	Yes	6 months	3
Pennsylvania	300	No	1 year	F
Rhode Island	100	Yes	G	F
South Carolina	100	Yes	1 year	12
Tennessee	500 & 1,000	Yes	2 to 3 years	F
Texas	200	No	12 months	6
Vermont	200	Yes	18 months	F
Virginia	100	Yes	12 months	F
West Virginia	300	Yes	18 months	F
Wisconsin	200	No	6 months	3

A—Exclusive up to \$100, but concurrent with Circuit Court to \$300.

B—No insolvent law.

C—By consent of both parties, may sue for \$300.

D—Longest time when the estate exceeds \$10,000.

F—No special time, but should be filed with assignee within three months, or as soon as possible.

G—Any time before final settlement.

H—Time fixed by Probate Court.

J—Time in general is from date of granting administration, but this rule has exceptions.

K—Largest amount is the jurisdiction in counties where population is 50,000 and over.

L—A chattel mortgage is valid on stock of merchandise in almost any State, if mortgagee takes immediate possession.

**STATUTE OF LIMITATIONS ON OPEN ACCOUNTS, NOTES, JUDGMENTS,
ETC.**

States.	Open Accounts.	Notes.	Judgments.	Sealed and Witnessed Documents.	Assault, Slander, Replevin, Etc.
Alabama.....	3	6	20	10	1
Arkansas.....	3	5	10	10	1
California.....	2	4	5	5	1
Colorado.....	6	6	3	3	1
Connecticut.....	6	6	20	17	3
Delaware.....	3	6	20	20	1
Florida.....	4	5	20	20	2
Georgia.....	4	6	7	20	1
Illinois.....	5	10	20	10	1
Indiana.....	6	20	20	20	2
Iowa.....	5	10	20	10	2
Kansas.....	3	5	5	15	1
Kentucky.....	2	15	15	15	1
Louisiana.....	3	5	10	10	1
Maine.....	6	20	20	20	2
Maryland.....	3	3	12	12	1
Massachusetts.....	6	20	20	20	2
Michigan.....	6	6	6	10	2
Minnesota.....	6	6	10	6	2
Mississippi.....	3	6	7	6	1
Missouri.....	5	10	10	10	2
Nebraska.....	4	5	5	10	1
Nevada.....	4	6	5	4	2
New Hampshire.....	6	6	20	20	2
New Jersey.....	6	6	20	16	2
New York.....	6	6	20	20	2
North Carolina.....	3	3	10	10	1
Ohio.....	6	15	15	15	1
Oregon.....	6	6	10	10	2
Pennsylvania.....	6	6	20	20	1
Rhode Island.....	6	6	20	20	1
South Carolina.....	6	6	20	20	2
Tennessee.....	6	6	10	6	1
Texas.....	2	4	10	4	1
Vermont.....	6	14	8	8	2
Virginia.....	5	5	10	20	1
West Virginia.....	5	10	10	10	1
Wisconsin.....	6	6	20	20	2

INTEREST LAWS IN THE UNITED STATES.

LAWS OF EACH STATE AND TERRITORY REGARDING RATES OF INTEREST AND PENALTIES FOR USURY, WITH THE LAW OR CUSTOM AS TO DAYS OF GRACE ON NOTES AND DRAFTS.

States and Territories.	Legal Rate of Interest. Per cent.	Rate Allowed by Contract. Per cent.	Penalties for Usury.	Grace or No Grace.
Alabama	8	8	Forfeiture of entire interest	Grace.
Arkansas	6	10	Forfeiture of principal and int....	No statute.
California	7	Any rate.	None	No grace.
Colorado	10	Any rate.	None, except of excess	Grace.
Connecticut	6	6	Forfeiture of excess	Grace.
Dakota	7	12	Forfeiture of interest	Grace.
Delaware	6	6	Forfeiture of principal	Grace.
District of Columbia ..	6	10	Forfeiture of entire interest	Grace.
Florida	8	Any rate.	None	No statute.
Georgia	7	Any rate.	None	Grace.
Idaho	10	18	Fine of \$100 or imprisonment....	No grace.
Illinois	6	8	Forfeiture of entire interest	Grace.
Indiana	6	8	Forfeiture of excess of interest....	Grace.
Iowa	6	10	Forfeit of 10 per cent on amount..	Grace.
Kansas	7	12	Forfeit of excess of interest	Grace.
Kentucky	6	8	Forfeiture of entire interest	Grace.
Louisiana	5	8	Forfeiture of entire interest	Grace.
Maine	6	Any rate.	None	Grace.
Maryland	6	6	Forfeit of excess of interest	Grace.
Massachusetts	6	Any rate.	None	Grace.
Michigan	7	10	None	Grace.
Minnesota	7	10	Forfeit of excess over 12 per cent.	Grace.
Mississippi	6	10	Forfeit of excess of interest	Grace.
Missouri	6	10	Forfeiture of entire interest	Grace.
Nebraska	7	10	Forfeit of interest and cost	Grace.
Nevada	10	Any rate.	None	Grace.
New Hampshire	6	6	Forfeit of thrice the excess	Grace.
New Jersey	6	6	Forfeiture of entire interest	Grace.
New Mexico	6	12	Forfeiture of entire interest	No statute.
New York	6	6	Forfeit of principal and interest..	Grace.
North Carolina	6	8	Forfeiture of entire interest	Grace.
Ohio	6	8	Forfeit of excess above 6 per cent	Grace.
Oregon	8	10	Forfeit of principal and interest..	Grace.
Pennsylvania	6	6	Forfeit of excess of interest	Grace.
Rhode Island	6	Any rate.	None	Grace.
South Carolina	7	Any rate.	None	Grace.
Tennessee	6	6	Forfeit of exc. of int. and \$100 fine	Grace.
Texas	8	12	None	Grace.
Utah	10	Any rate.	None	Grace.
Vermont	6	6	Forfeit of excess of interest	Grace.
Virginia	6	8	Forfeit of excess over 6 per cent..	Grace.
Washington Ter.....	10	Any rate.	None	
West Virginia	6	6	Forfeit of excess of interest	Grace.
Wisconsin	7	10	Forfeiture of entire interest	Grace.

IMPORTANT LEGAL DECISIONS.

Notes bear interest only when so stated, but do bear interest from date of maturity.

Principals are responsible for their agents.

Each individual in partnership is responsible for the whole amount of the debts of the firm, except where the word "limited" is used in connection with the firm name.

Ignorance of the law excuses no one.

It is a fraud to conceal a fraud.

The law compels no one to do impossibilities.

An agreement without consideration of value is void.

Signatures in lead pencil are good in law.

A receipt for money is not legally conclusive.

The acts of one partner bind all the others.

*Contracts made on Sunday cannot be enforced.

If when a debt is due the debtor is out of the State, the "six years" do not begin to run until he returns. If he afterward leave the State, the time forward counts the same as if he remained in the State.

An oral agreement must be proved by evidence. A written agreement proves itself. The law prefers written to oral evidence, because of its precision.

A contract made with a minor is voidable.

The maker of an "accommodation" bill or note (one for which he has received no consideration, having lent his name or credit for the accommodation of the holder), is not bound to the person accommodated, but is bound to all other parties precisely as if there was a good consideration.

Checks or drafts must be presented for payment without unreasonable delay.

If the drawee of a check or draft has changed his residence, the holder must use due or reasonable diligence to find him.

If the letter containing a protest of non-payment be put into the postoffice, any miscarriage does not affect the party giving notice.

If two or more persons as partners are jointly liable on a note or bill, due notice to one of them is sufficient.

If a note or bill is transferred as security, or even as payment of a pre-existing debt, the debt revives if the bill or note be dishonored.

All claims which do not rest upon a seal or judgment must be sued within six years from the time when they arise.

If one holds a check as payee, or otherwise transfers it to another, he has a right to insist that the check be presented that day, or, at farthest, on the day following.

A note indorsed in blank (the name of the indorser only written) is transferable by delivery, the same as if made payable to bearer.

* Contract made on Sunday is not void in Illinois.

If the time of payment of a note is not inserted, it is held payable on demand. Notes payable "on demand" are not entitled to grace.

An indorsee has a right of action against all whose names were on the bill when he received it.

*A note made on Sunday is void.

A note obtained by fraud, or even from one intoxicated with intent to defraud, cannot be collected.

If a note be stolen it does not release the maker—he must pay it.

An indorser of a note is exempt from liability if not served with notice of its dishonor within reasonable time of its non-payment.

A note by a minor is voidable.

Part payment of a debt which has passed the statutory limitation revives the whole debt, and the claim holds good for another period of six years from the date of such partial payment.

A note dated ahead of its issue is void, though it may be dated back.

A note of protest may be sent to the place of business or residence of the party notified.

Where two or more parties are jointly liable on a note, notice to one is sufficient.

By writing "without recourse," an indorser can prevent his own liability of being sued.

NOTES, ACCOUNTS, DRAFTS, ETC.

INVALID NOTES.

The following notes are invalid, namely: All which lack consideration, which must be some benefit to the party who makes the note, or some act, labor, forbearance, etc., on the part of the payee. Also, all notes founded on fraud, or on undue advantage taken of a party, or for illegal consideration, as bribery, wagers, etc. Also, all notes in which material alterations appear. Also notes dated on Sundays, legal holidays, and on dates yet future when the note is issued.

ENFORCING PAYMENT ON NOTES.

In case of non-payment of a note, it should be placed at once in the hands of a notary public, who formally demands payment, and, if not received, at once protests the note, and notifies all the indorsers of the fact. In most of the States the certificate of such an officer is *prima facie* evidence of the facts of the case as there stated. If through his neglect any loss occurs, he is responsible.

When the maker and indorser of a note both reside in the same city, notice of protest is given to the indorser personally, not later than the first business day following the presentation and dishonoring of the note. If they reside in different places, notice of dishonor must be sent by the next day's mail, properly directed. It is sufficient for the notary public who protests the note to

* Contract made on Sunday is not void in Illinois.

notify the indorser last on the note, but custom generally includes all indorsers in the first notice. But each indorser must assure himself that his antecedent is duly notified of the protest, and each indorser is allowed one day's time for this proceeding. When an indorser's residence is not known, a longer time, of reasonable length, may be allowed for service of notice. If a residence cannot be found, the holder is excused from serving notice.

Upon the presentation of a notary's certificate, judgment may be entered against the maker of a note for its face, with interest and costs. Failing to collect of him, similar proceedings will lie against the indorsers in the order of their priority upon the note.

A dishonored or overdue note, if taken by a party in payment of any claims, must be taken subject to all its liabilities to deductions or losses.

NOTE NOT NEGOTIABLE.

\$300.

CHICAGO, May 4, 1884.

Fifteen days after date, I promise to pay Edward Everett, three hundred dollars, value received.

FRANK FAIR.

NOTE NEGOTIABLE WITHOUT INDORSEMENT.

\$2,000.

NEW YORK, April 1, 1885.

Two months after date, I promise to pay to Charles Casell, or bearer, two thousand dollars, value received.

DAVID DOWD.

NOTE NEGOTIABLE BY INDORSEMENT.

\$210.

SAN FRANCISCO, August 1, 1885.

Twenty days after date, I promise to pay to the order of Alfred Aldrich, two hundred and ten dollars, value received.

B. BARNES.

NOTE ON DEMAND.

\$400.

OMAHA, February 10, 1886.

On demand, I promise to pay George Goody, or order, four hundred dollars, value received.

HENRY HAYS.

~~IF~~ Add "with interest" after "value received," if the note is to bear interest.

JOINT NEGOTIABLE NOTE PAYABLE AT A BANK.

\$500.

SAN FRANCISCO, JUNE 3, 1885.

Three months after date, we promise to pay Isaac Ingalls, or order, five hundred dollars, at the First National Bank, San Francisco.

MESSRS. KING & LANG.

NEGOTIABLE NOTE PAYABLE IN MERCHANDISE.

\$600.

DES MOINES, JULY 1, 1886.

Sixty days after date, I promise to pay to Maurice Miller, or order, six hundred dollars, in merchantable wheat, at the then current price.

NATHAN NAUGHT.

FORM OF JUDGMENT NOTE.

\$700.

For value received, I promise to pay to Oscar Ormsby, or order, the sum of seven hundred dollars, ninety days after date; and I hereby nominate, constitute and appoint the said Oscar Ormsby, or any attorney-at-law of this State my true and lawful attorney irrevocable, for me, and in my name, to appear in any court of record of this State, at any time after the above promissory note becomes due, and to waive all process and service thereof, and to confess judgment in favor of the holder hereof for the sum that may be due or owing hereon, with interest and costs, and waiving all errors, etc.

In witness whereof, I have hereunto set my hand and seal at the city of Lowell, State of Massachusetts, this 6th day of June, one thousand eight hundred and eighty-six.

E. D. ALCORN. [SEAL]

Sealed and delivered in the presence of

P. PYLE,

Q. QUAIL.

The principal difference between a sealed note and one without a seal is, that the former must be first paid in the settlement of a decedent's estate, and is not barred by the statute of limitation.

A JOINT NOTE.

\$800.

DETROIT, August 2, 1885.

Four months after date, we severally and jointly promise to pay Robert Rowell, or order, eight hundred dollars, value received.

THOMAS TAYLOR.

SAMUEL STRONG.

NOTE ON TIME.

\$900.

INDIANAPOLIS, May 1, 1886.

Thirty days after date, I promise to pay Uriah Ulrich, or order, nine hundred dollars, value received.

VARNEY NERNON.

Remarks.—These are the usual forms of notes. A note on demand is due at any time when demanded. A note payable to A. A., or order, may be sold or negotiated if A. A. writes his name upon the back, and if payable to A. A. or bearer, it can be sold without being indorsed, and will be good to the holder. In the State of Pennsylvania, the words "without defalcation" or "discount" are inserted after dollars. In Missouri, the words "negotiable and payable, without defalcation or discount" must be added to the words "for value received."

When two or more persons sign a note "severally or jointly," they are each responsible for its payment. The words "value received" should be written on a note to make it valid.

Indorsing a note, or writing your name across the back, makes you become responsible for its payment. If, however, the person thus indorsing it is not

notified when the note becomes due, of its non-payment by the drawer, he can no longer be held responsible for its payment. A partial payment of a note should always be indorsed on the same.

DUE-BILL.

\$50.

CINCINNATI, June 4, 1885.

Due William Watson, fifty dollars, on demand, value received.

ARTHUR ARCHER.

INLAND DRAFT.

This is about the same thing as an order. A draft is an order upon a distant person, while an order is generally given to parties in the immediate vicinity.

\$100.

NEW ORLEANS, May 3, 1885.

Ten days after date, pay Banks & Cox, or order, one hundred dollars, and charge the same to

DAVID DEAN.

Mr. Charles Chase, Chicago.

\$200.

ST. LOUIS, April 1, 1885.

At sight, pay Edward Eccles, or order, two hundred dollars, and place the same to the debt of

FRANK FOLK.

Mr. A. B. Canby, St. Louis.

ORDER FOR MONEY.

\$200.

CLEVELAND, October 7, 1885.

Mr. George Gage.

Please pay Henry Hudson, or order, two hundred dollars, and place same to the debt of

ISAAC INLAND.

By inserting "or bearer" instead of "order," any person can negotiate the same.

FORM OF A COMMON BILL.

Mr. John Jackson,

To A. Knight.

Dr.

April 6, 1886—To 10 Barrels Oil, at \$1.05\$10 50

Received Payment,

A. KNIGHT.

RECEIPT IN FULL.

BALTIMORE, August 5, 1885.

Received from Long & Mason, seventy-five dollars and ten cents, in full of account to date.

HENRY NATHAN.

RECEIPT ON ACCOUNT.

BALTIMORE, May 9, 1885.

Received from George Osgood, fifty dollars on account.

CHARLES PHILLIPS.

BONDS.

A written admission of an obligation on the part of the maker, whereby he pledges himself to pay a certain sum of money to another person or persons

at a specified time, for some *bona fide* consideration, is a bond. The person who gives the bond is called an obligor; the person who receives the same is called an obligee.

The above defined is a single bond, but generally conditions are added to the bond, by which the person giving the same must perform some specific act, which invalidates the bond; otherwise it remains in full force and effect.

The penalty attached to the bond is usually sufficient to cover debt, interest, and costs, being generally placed at twice the amount of the real debt, the fact being stated that such penalty is the sum fixed upon as liquidated or settled damages, in event of failure to meet payments according to the condition of the bond.

The bond may be drawn as to have the penalty attached to either the obligee or obligor.

Though under ordinary circumstances the bond is in full effect, an act of Providence, rendering its accomplishment impossible, relieves the party obligated from an enforcement of the penalty.

Action must be brought, on such instrument, within such time as provided by the statutes of the different States.

FORM OF COMMON BOND, WITH CONDITION.

Know all men by these presents, that I, A. A., of the town of, in the county of, and State of, am held and firmly bound unto B. B. of, etc., in the sum ofdollars, lawful money of the United States, to be paid to the said B. B., his executors, administrators or assigns; for which payment, well and truly to be made, I bind myself, my heirs, executors and administrators, firmly by these presents.

Sealed with my seal, dated theday ofone thousand eight hundred and

The condition of the above obligation is such that if the above bounden A. A., his heirs, executors or administrators, shall well and truly pay, or cause to be paid, unto the above named B. B., his executors, administrators, or assigns, the just and full sum ofdollars, inequal annual payments, from the date hereof, with annual interest, then the above obligation to be void; otherwise to remain in full force and virtue.

Sealed and delivered in the presence of

D. D.

A. A. [SEAL]

BILLS OF SALE.

A written agreement by which one party transfers to another, for a consideration on delivery, all his right, title, and interest in personal property, is a bill of sale.

The ownership of personal property, in law, is not changed until the delivery, and the purchaser takes actual possession of such property, though in some States a bill of sale is *prima facie* evidence of ownership, even against cred-

itors, unless the sale is fraudulently made, for the purpose of avoiding the payment of debts.

FORM OF A COMMON BILL OF SALE.

Know all men by these presents, That I, E. E., of the town of.....in the county of.....and State of.....of the first part, for and in consideration of the sum of.....dollars, lawful money of the United States, to me paid by F. F., of, etc., of the second part, the receipt whereof is hereby acknowledged, have bargained and sold, and by these presents do grant and convey unto the said party of the second part, his executors, administrators and assigns, the one equal undivided half of six acres of wheat now growing on the farm of G. G., in the town of.....aforesaid, one gray horse, three oxen and two lambs, belonging to me and now in my possession at the place last aforesaid; to have and to hold the same unto the said party of the second part, his executors, administrators and assigns, forever. And I do, for myself, my heirs, executors and administrators, covenant and agree, to and with the said party of the second part, his executors, administrators and assigns, to warrant and defend the sale of the said property, goods and chattels hereby made, unto the said party of the second part, his executors, administrators and assigns, against all and every person and persons whatsoever.

In witness whereof, I have hereunto set my hand and seal this.....day ofone thousand eight hundred and.....

Signed, sealed and delivered in presence of
H. H.

E. E. [SEAL]

ARTICLES OF AGREEMENT.

An agreement is a contract by which a certain person or persons agrees or contracts to perform certain duties within a specified time. It is of much importance, in all matters upon which may arise a difference of opinion, or misunderstanding, that contracts be reduced very explicitly to writing.

Agreements should show that they are made for a reasonable consideration, otherwise they are void in law.

The contract expires at the end of a year, unless it is expressly stipulated that the agreement is binding for a longer time.

While a seal is not absolutely necessary, it is much safer to have one attached.

A signature should always be written with pen and ink, for safety, although a pencil signature is legal.

Misrepresentation, or discovery of fraud, or changing of date by one party to the agreement, renders the contract void.

Agreements should state explicitly within what time its conditions are to be complied with. Always duplicate copies of an agreement, that each party may retain a copy.

GENERAL FORM OF AN AGREEMENT.

This agreement, made this seventh day of June, one thousand eight hundred and eighty-six, between J. K., of the city of New York, in the county of New York and State of New York, of the first part, and L. L., of the city of Brooklyn, in the county of Kings, State of New York, of the second part :

Witnesseth, That the said J. K., in consideration of the covenants on the part of the party of the second part hereinafter contained, doth covenant and agree to and with the said L. L., that [here insert the agreement on the part of J. K.]

And the said L. L., in consideration of the covenants on the part of the party of the first part, doth covenant and agree to and with the said J. K., that [here insert the agreement on the part of L. L.]

In witness whereof, We have hereunto set our hands and seals, the day and year first above written.

J. K. [SEAL]

L. L. [SEAL]

Sealed and delivered in the presence of

M. M.

N. N.

(This clause may be inserted when required.)

And it is further agreed between the parties hereto, that the party that shall fail to perform this agreement on his part, will pay to the other the full sum of.....dollars, as liquidated, filed and settled damages.

FORM OF AN AGREEMENT FOR THE SALE AND DELIVERY OF PERSONAL PROPERTY.

This Agreement, Made this.....day of....., one thousand eight hundred and eighty-five, between.....of the city of.....of the first part, and.....of the said city, of the second part.

Witnesseth, That the said.....in consideration of the covenants on the part of the said.....doth covenant to and with the said.....that he will deliver to the said.....at his storehouse in.....aforesaid, one thousand bushels of corn, of good merchantable quality, on or before the.....day ofnext.

And the said.....in consideration of the covenants on the part of the said.....doth covenant and agree to and with the said.....that he will pay to the said.....at the rate of.....for each bushel of corn so delivered, immediately on the completion of the delivery thereof.

In witness, etc. (as in General Form).

FORM OF AN AGREEMENT FOR BUILDING A HOUSE.

Memorandum—That on this.....day of.....it is agreed between O. O., of.....and P. P., of.....in manner following, viz: The said P. P., for the considerations hereinafter mentioned, doth for himself, his heirs, executors, and administrators, covenant with the said O. O., his executors, administrators, and assigns, that he, the said P. P., or his assigns, shall and will, within the space ofnext after the date hereof, in a good and workmanlike manner, and at his own proper charge and expense, at.....well and substantially erect, build,

and finish, one house, or messuage, according to the draft, scheme and explanation hereunto annexed, with such stone, brick, timber, and other materials as the said O. O. or his assigns shall provide for the same. In consideration whereof, the said O. O. doth for himself, his executors and administrators, covenant with the said P. P., his executors, administrators, and assigns, well and truly to pay unto the said P. P., his executors, administrators, and assigns, the sum of \$.....lawful money of the United States, in manner following, viz:part thereof at the beginning of the said work, and..... another part thereof when the said work shall be half done, and the remaining.....in full for the said work, when the same shall be completely finished. And also that he, the said O. O., his executors, administrators, or assigns, shall and will from time to time, as the same shall be required, at his and their own proper expense, find and provide stone, brick, timber, and other materials necessary for making, building, and finishing the said house. And for the performance of all and every the articles and agreements above mentioned, the said O. O. and P. P. do hereby bind themselves, their executors, administrators, and assigns, each to the other, in the penal sum of \$....firmly by these presents.

In witness, etc. (as in General Form).

DEEDS.

A deed is an instrument in writing by which lands and appurtenances thereon are conveyed from one person to another, signed, sealed, and properly subscribed. A deed may be written or printed on parchment or paper, and must be executed by parties competent to contract.

One witness is required in New York, and two witnesses are required in Vermont, New Hampshire, Rhode Island, Connecticut, Ohio, Pennsylvania, Georgia, Illinois, and Indiana. Should the deed be proven by witnesses, two are also required in Tennessee, Delaware, and South Carolina. In the other States no witnesses are necessary, the deed being acknowledged by a person duly authorized by law.

There must be a realty to grant, and a sufficient consideration to render a deed valid.

The following requisites are necessary to enable a person to legally convey property to another: 1st. He or she must be of sane mind; 2d. Of age; 3d. He or she must be the rightful owner of the property, and 4th, a citizen.

The grantor is the person who makes the deed, and the grantee the person who receives the deed. The wife of the granter, in the absence of any statute regulating the same, must acknowledge the deed, or else, after the death of her husband, she will be entitled to a one-third interest in the property, as dower during her life. Her acknowledgment of the deed must be of her own free will and accord, and the officer before whom the acknowledgment is taken must sign his name as a witness to the fact that her consent was without compulsion.

Special care should be taken to have the deed properly acknowledged and witnessed, and the proper seal attached to each signature.

The deed takes effect upon its delivery to the proper authorized person.

Any alterations or interlineations in the deed should be noted at the bottom of the instrument, and properly witnessed. After the acknowledgment of a deed the parties have no right to make the slightest alteration. An alteration after the acknowledgment, in favor of the grantee, vitiates the deed.

By a general warranty deed, the grantor agrees to warrant and defend the property conveyed against all persons whatsoever. A quit-claim deed releases what interest the grantor may have in the land, but does not warrant and defend against others.

Deeds, upon their delivery, should be recorded in the recorder's office without delay.

FORM OF A DEED WITHOUT COVENANTS.

This Indenture, Made the....day of.....in the year of our Lord one thousand eight hundred and....between Q. Q., of the city of Chicago, of the first part, and R. R., of, etc., of the second part.

Witnesseth, That the said party of the first part, for and in consideration of the sum of.....dollars, to him in hand paid, by the said party of the second part, the receipt whereof is hereby acknowledged: Hath bargained and sold, and by these presents doth bargain and sell, unto the said party of the second part, and to his heirs and assigns, forever, all, etc. (Here describe the property.) Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining; and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, claim or demand whatsoever of him, the said party of the first part, either in law or equity, of, in and to the above bargained premises, and every part and parcel thereof, to have and to hold to the said party of the second part, his heirs and assigns, to the sole and only proper use, benefit and behoof of the said party of the second part, his heirs and assigns forever.

In witness whereof, We have hereunto set our hands and seals the day and year first above written.

Q. Q. [SEAL]

R. R. [SEAL]

Scaled and delivered in the presence of

S. T.

U. V.

FORM OF A DEED WITH FULL COVENANTS.

Know all men by these presents, That we, James B. and Sarah his wife, of the town of Essex, in the county of Dutchess, State of New Jersey, for and in consideration of the sum of....dollars, to us in hand now here paid, have granted, bargained, sold, and by these presents do grant, bargain, sell and convey unto Henry F., of the same place, all that certain parcel of land situate in the said

town of Essex, and described as follows: (Here insert boundaries), with all the appurtenances, and all the right, title, interest, claim and demand of us, or either of us, in the premises; to have and to hold the same, with the appurtenances, unto the said Henry F., and his heirs in fee simple, forever. And I, the said James B., for myself and my heirs, do hereby covenant and agree, to and with the said Henry F., and his heirs and assigns, that I am now the owner of the said premises, and am seized of a good and indefeasible estate of inheritance therein, and that I have full right and power to sell and convey the same in fee simple absolute; that the said premises are full and clear of all incumbrances; that the said Henry F., his heirs and assigns, may forever hereafter, have, hold, possess and enjoy the same, without any suit, molestation or interruption, by any person whatever lawfully claiming any right therein, and that I, the said James B., and all persons hereafter claiming under me, will at any time hereafter, at the request and expense of the said Henry F., his heirs or assigns, make all such further assurances for the more effectual conveying of said premises, with the appurtenances, as may be reasonably required by him or them; and that I, the said James B., and my heirs, will warrant and defend the said premises, with the appurtenances, unto the said Henry F., and his heirs and assigns forever.

In witness, etc. (as in preceding deed).

FORM OF A QUIT-CLAIM DEED.

Know all men by these presents, That we, George S. (of etc.), and Réna, the wife of the said George S., in consideration of the sum of.....dollars, to us in hand paid by Robert Q. (of etc.), the receipt whereof we do hereby acknowledge, have bargained, sold and quit-claimed, and by these presents do bargain, sell and quit-claim, unto the said Robert Q., and to his heirs and assigns forever, all our and each of our right, title, interest, estate, claim and demand, both at law and in equity, and as well in possession as in expectancy of, in, and to all that certain farm and piece of land, etc. (here describe it), with all and singular the hereditaments and appurtenances thereunto belonging.

In witness, etc. (as above).

PROOF OF DEED.

PIKE COUNTY, ss.

On this....day of....in the year....Samuel V., with whom I am personally acquainted, came before me, and, being by me duly sworn, deposes and says that he is a resident of the town of.....in the county of.....that he saw David X. execute the within conveyance; that he, the said Samuel V., subscribed his name thereto as a witness, and that he knew the said David X. to be the person described in, and who executed the said conveyance.

PHILIP F.,

Commissioner of Deeds of Pike County.

MORTGAGES.

A mortgagor is one who makes a mortgage ; a mortgagee is one to whom a mortgage is made.

A mortgage is the pledging of an estate for the security of a debt, and becomes void when the debt is paid. Any person owning an interest in or the whole of an estate is at liberty to mortgage his or her claim upon or interest in it, provided he or she is not under age. A married woman cannot make a mortgage without the consent of her husband. It frequently happens that embarrassed persons give as many as five mortgages, to as many different persons, on their estates. A first mortgage, however, takes precedence of all subsequent mortgages or conveyances, provided it is recorded. All mortgages must be recorded in the clerk's office of the county in which the property lies.

When the mortgage is paid a certificate to that effect from the mortgagee or his legal representatives, duly acknowledged by a commissioner of deeds, must be presented to the clerk of the town or county office in which the mortgage is recorded, who will file it, and the mortgage is at an end.

A mortgage to secure the purchase money, made at the time of the purchase, takes precedence of any previous judgment against the mortgagor.

A mortgage sometimes conveys to the mortgagee the power to sell ; in such cases the mortgagee may sell the property without the aid of any court. Such sale, however, will not do away with a judgment or mortgage obtained prior to the sale. All such sales must be made at public auction.

FORM OF A MORTGAGE.

This Indenture, Made the day of in the year of our Lord, one thousand eight hundred and eighty, between M. M., of the city of San Francisco, merchant, and N. his wife, of the first part, and P. P., of said city, merchant, of the second part, *Witnesseth* : That the said parties of the first part, for and in consideration of the sum of dollars, lawful money of the United States, to them in hand paid, the receipt whereof is hereby acknowledged, have granted, bargained, sold, aliened, released, conveyed and confirmed, and by these presents do grant, bargain, sell, alien, release, convey and confirm, unto the said party of the second part, and to his assigns forever, all that certain lot (describe it), together with all and singular the hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof ; and also all the estate, right, title, interest, dower, possession, claim and demand whatsoever of the said parties of the first part, of, in and to the same, and every part thereof, with the appurtenances, to have and to hold the said hereby granted premises, with the appurtenances, unto the said party of the second part, his heirs and assigns, to his and their only proper use, benefit and behoof forever. Provided always, and these presents are upon this condition, that if the said parties of the first part, their heirs, executors, administrators or assigns, shall pay unto the said party of the second part, his execu-

tors, administrators or assigns, the sum of dollars on or before the day of, which will be in the year, with interest computed at per centum, according to the condition of a bond of the said M. M. to the said P. P., bearing even date herewith; then these presents shall become void, and the estate hereby granted shall cease and utterly determine. But if default shall be made in the payment of the said sum of money, or the interest, or of any part thereof, at the time hereinbefore specified for the payment thereof, the said parties of the first part, in such case, do hereby authorize and fully empower the said party of the second part, his executors, administrators and assigns, to sell the same hereby granted premises, at public auction, and convey the same to the purchaser, in fee simple, agreeable to the acts in such case made and provided, and out of the moneys arising from such sale, to retain the principal and interest which shall then be due on the said bond, together with all costs and charges, and pay the overplus (if any) to the said M. M., party of the first part, his heirs, executors, administrators or assigns.

In witness whereof, The parties to these presents have hereunto set their hands and seals, the day and year first above written.

MILTON MILES. [SEAL]

NELLIE MILES. [SEAL]

Sealed and delivered in the presence of

GEORGE SMITH.

SATISFACTION OF MORTGAGE.

COUNTY OF CHESTER, } ss.

X. Y., of, do hereby certify that a mortgage, bearing date the day of one thousand eight hundred and eighty-five, made and executed by U. W. and C. W., his wife, to secure the payment of his bond for dollars, with interest, bearing even date with the said mortgage, recorded in the office of the clerk of the county of, in lib. of mortgages, page, on the day of, 1885, is paid.

X. Y.

Dated the day of, 1885.

COUNTY OF CHESTER, } ss.

On the day of, one thousand eight hundred and eighty-five, before me came X. Y., to me known to be the individual described in, and who executed the above certificate, and acknowledged that he executed the same.

A. B.,

Commissioner of Deeds.

CHATTEL MORTGAGE.

A mortgage on personal property, given by a debtor to a creditor, as security for the payment of a sum that may be due, is a chattel mortgage.

The property mortgaged may remain in the possession of either party, while the mortgage is in force. In order to hold the property secure against other creditors, the mortgagee, or person holding the mortgage, must have a

true copy filed in the clerk's or recorder's office of the place where the mortgagor, or person giving the mortgage resides, and where the property is when mortgaged.

A justice of the peace, according to the laws of some States, in the voting precinct where such property mortgaged is located, must acknowledge and sign the mortgage, taking a transcript of the same upon his court docket, while the mortgage itself should be recorded, the same as real estate transfers.

When the person giving the mortgage retains possession of the property, he may empower the party holding the mortgage with authority to take the goods and chattels mortgaged into his possession at any time he may deem the same insufficient security for his claims; or, if he shall be convinced that an effort is being made to remove such property, whereby he would be defrauded of his claim, or for other reasons, when he may deem it necessary to secure his claim, he can proceed to take possession of it; and said property, after having given legal notice of sale, according to the law of the State governing the same, he is allowed to sell at public sale, to the highest bidder. Out of the money obtained therefrom he can retain sufficient to liquidate his demand and defray the necessary expenses, turning over any moneys remaining to the mortgagor.

FORM OF A COMMON CHATTEL MORTGAGE.

This Indenture, Made the.....day of.....eighteen hundred and....., between C. D. (of etc.) of the first part, and E. F. (of etc.) of the second part, witnesseth: That the said party of the first part, in consideration of the sum ofdollars, to him duly paid, hath sold, and by these presents doth grant and convey to the said party of the second part, and his assigns, the following described goods, chattels and property (here describe goods) now in my possession, at the.....day of.....aforesaid; together with the appurtenances, and all the estate, title and interest of the said party of the first part therein. This grant is intended as a security for the payment of.....dollars, with interest, on or before the expiration of.....days from the dates hereof; and the additional sum of.....dollars, with interest, on the.....day of.....18..., which payment, if duly made, will render this conveyance void.

In witness whereof, I have hereunto set my hand and seal, this.....day of....., in the year one thousand eight hundred and.....

Sealed and delivered in the presence of

C. D.

G. H.

Conditional Clause as to Possession.

And *provided*, also, that, until default by the party of the first part in the performance of the conditions aforesaid, it shall and may be lawful for him to keep possession of the property above mentioned and described, and to use and enjoy the same; but if the said party of the first part shall attempt to sell the same, or any part thereof, or to remove the same out of the county of..... without notice to the said party of the second part, or his assigns, and without

his or their assent to such sale or removal, to be expressed in writing, then it shall be lawful for the said party of the second part, or his assigns, to take immediate possession of the whole of said property, to his or their own use.

FORM OF A NOTICE OF SALE ON CHATTEL MORTGAGE.

Mortgage Sale.

By virtue of a chattel mortgage executed by J. K. to L. M., dated the..... day of18..and filed in the office of the Register of the city of.....(or the County Clerk of the county ofor the Town Clerk of the town of.....) on the.....day of.....in the year aforesaid, and upon which default has been made, I shall sell the property therein mentioned and described (here describe property) at public auction, at the house of.....in the city or town of.....aforesaid, on the.....day of.....instant (or next), at ten o'clock in the forenoon of that day.

Dated at.....the....day of.....

L. M.,

Mortgagee.

Or, O. P.,

Assignee.

LANDLORD AND TENANT.

No particular form of wording a lease is necessary. It is important, however, that the lease state, in a plain, straightforward manner, the terms and conditions of the agreement, so that there may be no misunderstanding between the landlord and tenant.

The lease must state all the conditions, as additional verbal promises avail nothing in law. It is held, generally, that a written instrument contains the details, and states the bargain entire, as the contracting parties intended.

The tenant can sublet a part, or all, of his premises, unless prohibited by the terms of his lease.

A lease by a married woman, even if it be upon her own property, at common law, is not valid; but, by recent statutes, she, in many States, may lease her own property and have full control of the same; neither can the husband effect a lease that will bind her after his death. His control over her property continues only so long as he lives.

Neither a guardian nor a minor can give a lease extending beyond the ward's majority, which can be enforced by the lessee; yet the latter is bound, unless the lease is annulled.

If no time is specified in a lease, it is generally held that the lessee can retain possession of the real estate for one year. A tenancy at will, however, may be terminated in the Eastern States by giving three months' notice in writing; in the Middle and Southern States, six months; and in the Western States, one month; though recent statutes in some States have modified the above somewhat.

The lease that specifies a term of years, without giving the definite number, is without effect at the expiration of two years. A lease for three or more

years, being signed by the Commissioner of Deeds, and recorded in the Recorder's office, is an effectual bar to the secret or fraudulent conveyance of such leased property; and it further obviates the necessity of procuring witnesses to authenticate the validity of the lease.

Duplicate copies of a lease should always be made, and each party retain a copy of the same.

A new lease invalidates an old one.

A landlord misrepresenting property that is leased, thereby subjecting the tenant to inconvenience and loss, such damage can be recovered from the landlord by deduction from the rent.

A lease on property that is mortgaged ceases to exist when the person holding said mortgage forecloses the same.

A landlord consenting to take a substitute releases the first tenant.

Where there is nothing but a verbal agreement, the tenancy is understood to commence at the time of taking possession. Where there is no time specified in the lease, tenancy is regarded as commencing at the time of delivering the writings. If it is understood that the tenant is to pay the taxes on the property he occupies, such fact must be distinctly stated in the lease, as a verbal promise is of no effect.

FORM OF A LANDLORD'S LEASE.

This is to certify that I have this.....day of.....18..let and rented unto John Q., my house and lot, known as No..in....street, in the city of ...with the appurtenances, and the sole and uninterrupted use and occupation thereof for one year, to commence the.....day of.....next, at the yearly rent of.....dollars, payable quarterly, on the usual quarter days; rent to cease in case the premises are destroyed by fire.

ALBERT V.

FORM OF TENANT'S AGREEMENT.

This is to certify that I have hired and taken from Mr. Amos X., his house and lot, known as No....in....street, in the city of....with the appurtenances, for the term of one year, to commence the first day of.....next, at the yearly rent of.....dollars, payable quarterly on the usual quarter days. And I do hereby promise to make punctual payment of the rent in manner aforesaid, except in case the premises become untenable from fire or any other cause, when the rent is to cease; and do further promise to quit and surrender the premises at the expiration of the term, in as good state and condition as reasonable use and wear thereof will permit, damages by the elements excepted.

Given under my hand and seal, the....day of....18..

WILLIAM W. [SEAL]

In presence of

A. B.

FORM OF A NOTICE TO QUIT BY LANDLORD.

Please to take notice that you are hereby required to surrender and deliver up possession of the house and lot known as No....in....street, in the city ofwhich you now hold of me; and to remove therefrom on the first day ofnext, pursuant to the provisions of the statute relating to the right and duties of landlord and tenant.

Dated this....day of....18....

Yours, etc.

E. F.,

To Mr. C. D.

Landlord.

FORM OF A NOTICE TO QUIT BY TENANT.

Please to take notice, that on the first day of.....next, I shall quit possession and remove from the premises I now occupy, known as house and lot No.. in....street, in the city of....

Yours, etc.,

N. O.

To Mr. J. K.

WILLS.

The legal declaration of what a person determines to have done with his property after death is termed a will.

All persons of sufficient age, possessed of sound mind, excepting married women in certain States, are entitled to dispose of their property by will. Children at the age of fourteen, if males, and females at the age of twelve, can thus dispose of personal property.

No exact form of words is necessary in order to make a will good at law, though much care should be exercised to state the provisions of the will so plainly that its language may not be misunderstood. The person making the will is termed the testator; if a female, the testatrix.

A will is of no force or effect until the death of the testator, and can be canceled or modified at any date by the maker. The last will made annuls the force of all preceding wills.

The law regards marriage and offspring resulting, as *prima facie* evidence of revocation of a will made prior to such marriage, unless the wife and children are provided for by the husband in some other way, in which case the will remains in full force.

To convey real estate by will, it must be done in accordance with the law of the State where such land is located but personal property is conveyed in harmony with the law that obtains at the place of the testator's residence.

There are two kinds of wills, namely, written or verbal, or noncupative. The latter, or spoken wills, depending upon proof of persons hearing the same, generally relate to personal property only, and are not recognized in all the States, unless made within ten days previous to death. Verbal or unwritten wills are usually unsafe, and even when well authenticated often make expensive litigation; hence the necessity of having the wishes of the testator fully and clearly defined in a written will.

To give or make a devise of property by will, and subsequently dispose of

the same without altering the will to conform to such sale, destroys the validity of the entire will.

A will made by an unmarried woman is legally revoked by marriage ; but she can take such legal steps in the settlement of her property, before marriage, as will empower her to dispose of the same as she may choose, after marriage.

No husband can make a will that will deprive the wife of her right of dower in the property , but the husband can will the wife a certain amount in lieu of her dower stating it to be in lieu thereof. Such bequest, however, will not exclude her from her dower, provided she prefers it to the bequest made in the will. Unless the husband states distinctly that the bequest is in lieu of dower she is entitled to both

Property bequeathed must pay debts and incumbrances upon the same before its distribution can be made to the legatees of the estate.

Though property may be willed to a corporation, the corporation cannot accept such gift unless provision is made for so doing in its charter. A will may be revoked by marriage, a codicil, destruction of the will, disposing of property devised in a will, or by the execution of another will.

The person making a will may appoint his executors, but no person can serve as such executor if he or she be an alien at the time of proving the will, if he be under twenty-one years of age, a convict, a drunkard, a lunatic, or an imbecile. No person appointed as an executor is obliged to serve, but may renounce his appointment by legal written notice, signed before two witnesses, which notice must be recorded by the officer before whom the will is proved.

In case a married woman possesses property, and dies without a will, her husband is entitled to administer upon such property in preference to any one else, provided he be of sound mind.

Any devise of property made to a subscribing witness is invalid, although the integrity of the will in other respects is not affected.

In all wills, the testator's full name should be made at the end of such. If he be unable to write, he may have his hand guided in making a mark against the same. If he possesses a sound mind, and is conscious at the time of the import of this action, such mark renders the will valid.

Witnesses should always write their respective places of residence after their names, their signatures being written in the presence of each other, and in the presence of the testator.

It should be stated, also, that these names are signed at the request of and in presence of the testator, and in the presence of each other.

The following States require two subscribing witnesses : Missouri, Illinois, Ohio, Kentucky, Arkansas, North Carolina, Tennessee, Iowa, Utah, Texas, California, New Jersey, Delaware, Indiana, Virginia and New York. Three witnesses are required to authenticate a will in the following States : Florida, Mississippi, Maryland, Louisiana, Georgia, South Carolina, Wisconsin, Oregon, Minnesota, Michigan, Massachusetts, Rhode Island, Connecticut, Maine, New Hampshire and Vermont. Proof of signature of the testator by the oath of two

reputable witnesses is sufficient to establish the validity of a will in the State of Pennsylvania, no subscribing witnesses being absolutely necessary.

Witnesses are not required to know the contents of a will. They have simply to know that the document is a will, and witness the signing of the same by the testator.

CODICILS.—An addition to a will, which should be in writing, is termed a codicil. A codicil is designed to explain, modify or change former bequests made in the body of the will. It should be done with the same care and precision as was exercised in the making of the will itself.

GENERAL FORM OF A WILL DISPOSING OF BOTH REAL AND PERSONAL ESTATE.

In the name of God, Amen. I, C. D., of the city of Chicago, county of Lake, State of Illinois, being in good bodily health, and of sound and disposing mind and memory, calling to mind the frailty and uncertainty of human life, and being desirous of settling my worldly affairs, and directing how the estates with which it has pleased God to bless me shall be disposed of after my decease, while I have strength and capacity so to do, do make and publish this, my last will and testament, hereby revoking and making null and void all other last wills and testaments by me heretofore made. And, first, I commend my mortal being to Him who gave it, and my body to the earth, to be buried with little expense or ostentation by my executors hereinafter named.

And to my worldly estate, and all the property, real, personal or mixed, of which I shall die seized and possessed, or to which I shall be entitled at the time of my decease, I devise, bequeath and dispose thereof in the manner following, to wit:

Imprimis. My will is that all my just debts and funeral charges shall, by my executors hereinafter named, be paid out of my estate, as soon after my decease as shall by them be found convenient.

Item.—I give, devise and bequeath to my beloved wife, R. D., all my household furniture, my pair of horses and coach and their harness, and also fifteen thousand dollars in money, to be paid to her by my executors hereinafter named, within six months after my decease; to have and to hold the same to her and her executors, administrators and assigns forever. I also give her the use of my dwelling house and lands, to have and to hold the same to her for and during her natural life.

Item.—I give and bequeath to my honored mother, S. D., two thousand dollars in money, to be paid to her by my executors hereinafter named, within six months after my decease; to be for the sole use of herself, her heirs, executors, administrators and assigns.

Item.—I give, devise and bequeath to my son H. D., my house and lands and its appurtenances, situated in and all profit, income and advantage that may result therefrom, from and after the decease of my beloved wife, R. D., to have and to hold the same to him, the said H. D., his heirs and assigns,

from and after the decease of my said wife, to his and their use and behoof forever.

Item.—All the rest and residue of my estate, real, personal or mixed, of which I shall die seized and possessed, or to which I shall be entitled at the time of my decease, I give, devise and bequeath to my son, N. D., and to his heirs and assigns forever. And

Lastly.—I do nominate and appoint my said sons, H. D., and N. D., to be the executors of this my last will and testament.

In testimony whereof, I, the said C. D., have, to this my last will and testament, contained on three sheets of paper, and to every sheet thereof, subscribed my name, and to this, the last sheet thereof, I have subscribed my name, and affixed my seal, this.....day of.....in the year of our Lord one thousand eight hundred and eighty....

C. D. [SEAL]

The above instrument, consisting of three sheets, was now here subscribed by C. D., the testator, in the presence of each of us, and was at the same time declared by him to be his last will and testament, and we, at his request, sign our names hereto as attesting witnesses.

F. G., residing at.....in.....county.....State.

H. K., residing at.....in.....county.....State.

(Or, if the witnesses do not see the testator subscribe the will, it may be attested by his acknowledgment in the following form:)

The above instrument, of three sheets, was, at the date thereof, declared to us by the testator, C. D., to be his last will and testament; and he then acknowledged to each of us that he had subscribed the same; and we, at his request, sign our name hereto as attesting witnesses.

F. G., residing at.....in.....county.....State.

H. K., residing at.....in.....county.....State.

PARTNERSHIPS.

An agreement between two or more persons to invest their labor, time, and means together, sharing in the loss or profit that may arise from such investment, is termed a partnership.

This partnership may consist in the contribution of skill, extra labor, or acknowledged reputation upon the part of one partner, while the other, or others, contribute money, each sharing alike equally, or in fixed proportion, in the profits, or an equal amount of time, labor and money, may be invested by the partners, and the profits equally divided; the test of partnership being the joint participation in profit, and joint liability to loss.

A partnership formed without limitation is termed a general partnership. An agreement entered into for the performance of only a particular work, is termed a special partnership; while the partner putting in a limited amount of capital, upon which he receives a corresponding amount of profit, and is held

correspondingly responsible for the contracts of the firm, is termed a limited partnership, the conditions of which are regulated by statute in different States.

A partner signing his individual name to negotiable paper, which is for the use of the partnership firm, binds all the parties thereby. Negotiable paper of the firm, even though given on private account by one of the partners, will hold all the partners of the firm when it passes into the hands of holders who are ignorant of the facts attending its creation.

Partnership effects may be bought and sold by a partner ; he may make contracts ; may receive money ; indorse, draw, and accept bills and notes ; and while this may be for his own private account, if it apparently be for the use of the firm, his partners will be bound by his action, provided the parties dealing with him were ignorant of the transaction being on his private account ; and thus representation or misrepresentation of a partner, having relation to business of the firm, will bind the members in the partnership.

An individual lending his name to a firm, or allowing the same to be used after he has withdrawn from the same, is still responsible to third persons as a partner.

A partnership is presumed to commence at the time articles of copartnership are drawn, if no stipulation is made to the contrary, and the same can be discontinued at any time, unless a specified period of partnership is designated in the agreement ; and even then he may withdraw by giving previous notice of such withdrawal from the same, being liable, however, in damages, if such are caused by his withdrawal.

Should it be desired that the executors and representatives of the partner continue the business in the event of his death, it should be so specified in the articles, otherwise the partnership ceases at death. Should administrators and executors continue the business under such circumstances, they are personally responsible for the debts contracted by the firm.

If it is desired that a majority of the partners in a firm have the privilege of closing the affairs of the company, or in any way regulating the same, such fact should be designated in the agreement ; otherwise such right will not be presumed.

Partners may mutually agree to dissolve partnership, or a dissolution may be effected by a decree of a court of equity. Dissolute conduct, dishonesty, habits calculated to imperil the business of the firm, incapacity, or the necessity of partnership no longer continuing, shall be deemed sufficient causes to invoke the law in securing a dissolution of partnership, in case the same cannot be effected by mutual agreement.

After dissolution of partnership, immediate notice of the same should be given in the most public newspapers, and a notice likewise should be sent to every person having special dealings with the firm. These precautions not being taken, each partner continues liable for the act of the others to all persons who have no knowledge of the dissolution.

FORM OF ARTICLES OF COPARTNERSHIP.

Articles of copartnership made this sixth day of October, 1885, by and between John Jones and William Smith, both of the city of Keokuk, Iowa.

The said parties hereby agree to form, and do form, a copartnership for the purpose of carrying on the general produce and commission business, on the following terms and articles of agreement, to the faithful performance of which they mutually agree to bind themselves. The style and name of the firm shall be Jones & Smith, and shall commence on the first day of January, 1886.

Each of the said parties agree to contribute to the funds of the partnership the sum of \$2,000 in cash, which shall be paid in on or before the first day of January, 1886, to the business, and to the care and superintendence of the same.

All profits which may accrue to the said partnership shall be divided, and all losses happening to the said firm, whether from bad debts, depreciation of goods, or any other cause or accident, and all expenses of the business shall be borne by the said parties equally.

All the purchases, sales, transactions and accounts of the said firm shall be kept in regular books, which shall always be open to the inspection of both parties, and their legal representatives, respectively. An account of stock shall be taken, and an account between the parties shall be settled as often as once a year, and as much oftener as either party may desire, and in writing request.

Neither of the said parties shall subscribe any bond, sign or indorse any note of hand, accept, sign or indorse any draft or bill of exchange, or assume any other liability, verbal or written, either in his own name or in the name of the firm, for the accommodation of any other person or persons whatsoever, without the consent in writing of the other party; nor shall either party lend any of the funds of the copartnership without such consent of the other party.

Neither party shall engage in any other business, nor shall either party withdraw from the joint stock any more than \$200 per quarter, or \$800 per year.

On the dissolution of this copartnership, if the said parties or their legal representatives cannot agree in the division of the stock then on hand, the whole copartnership effects, except the debts due the firm, shall be sold at public auction, at which both parties shall be at liberty to bid and purchase like other individuals, and the proceeds to be divided after paying the debts of the firm.

For the purpose of securing the performance of the foregoing agreements, it is agreed that either party, in case of any violation of them, or either of them, by the other shall have the right to dissolve this copartnership forthwith on his becoming informed of such violation.

In witness whereof, The said parties have hereunto set their hands and seals, the day and year first above written.

JOHN JONES. [SEAL]

WILLIAM SMITH. [SEAL]

ASSIGNMENTS.

Only when made in good faith is an assignment valid. Any interested party can test its validity in an action. If the assignment was made to evade debts due to creditors, it will be set aside; but such fraud must be proven before a jury, else it will stand.

An assignment for the benefit of his creditors must be an unconditional surrender by a debtor of all his effects. To secretly hold back any property is fraudulent, and punishable by statute.

An insolvent debtor is allowed to prefer one creditor to the exclusion of all others, if he does so in good faith. Even should another creditor commence suit against him, he can still prefer one.

An insolvent debtor making an assignment in trust to pay certain creditors, who are to transfer the residue to the debtor, is void as to the remaining creditors, even if evidence is offered that there will be no surplus.

An assignment authorizing the assignee to change, at discretion, the order of preference of creditors, is void.

An immediate delivery of the property must accompany an assignment for the benefit of creditors.

Assignees and trustees are entitled to the same compensation that is allowed to administrators, executors, and guardians.

Assignments and assignments of mortgage must be acknowledged and recorded, like all other conveyances of property.

GENERAL FORM OF ASSIGNMENT.

(To be written or indorsed on the back of any instrument.)

Know all men by these presents, That I, the within named T. V., in consideration ofdollars, to me paid by W. X., have assigned to the said W. X., and his assigns, all my interest in the within written instrument, and every clause, article or thing therein contained; and I do hereby constitute the said W. X. my attorney, in my name, but to his own use and at his own risk and cost, to take all legal measures which may be proper for the complete recovery and enjoyment of the assigned premises, with power of substitution.

In testimony whereof, I have hereunto set my hand and seal, thisday ofone thousand eight hundred and eighty

Executed and delivered in the presence of

Y. Z.

T. V. [SEAL]





